THE FINANCIAL POST

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HEAVY INFLOW OF FOREIGN GOODS DETERS INDUSTRY

Impedes Betterment Corresponding to That Evident in Retail Trade

REVENUE EXPANDING

Used in Debt Liquidation and Has Not Stimulated New Business to Degree Predicted

Notwithstanding the assurances given by the government that no legislation inimical to business is contemplated at Ottawa, some uneasiness is felt with regard to the various subsidy schemes announced. Judging from past experience, business is inclined to fear that only in increased taxes can the country hope to recover the millions which it is proposed to spend in this way. While the total revenue of the country from various sources has been gradually expanding, disappointment is felt that this increased revenue has not proven a greater stimulant to business.

One serious handicap from which the government has failed to protect industry is the increasing competition of cheaply made foreign goods. In a recent address in Toronto, Sir George Paish drew attention to the effect upon the United States and Canada of the rapid recovery of some of the European countries. Our imports from Europe, excluding the United Kingdom, for the last nine months of the past three years, increased from $28,900,000 to $36,388,000, and to $39,353,000 last year, while total imports were steadily declining. Imports from Germany alone trebled in three years. The United States is faced with the same problem, but that country must ultimately admit these foreign goods, as pointed out by Sir George Paish, to facilitate interest payments from foreign borrowers. Notwithstanding this, the United States has built up effective machinery to protect the manufacturing industries if and when necessary, while Canada which is not a capital lending country, has failed to take this precaution. As a consequence, the improvement which is noted in many lines of retail business over the past six months has not been paralleled in the manufacturing industries outside a few well-defined exceptions.

Business Advance Slow

Disappointment is expressed in business circles that trade for the first two months of the year has not responded to the stimulus of increased revenue to the extent anticipated. Canada's field crops have yielded $996,257,900 which is an increase of $97,091,700 or 10 per cent. over last year's revenue. And this estimate is based on extremly conservative figures, such as $1.22 for wheat and 49 cents for oats. The Western wheat pools have announced their decision to make an interim payment of 35 cents per bushel on all their holdings. This will place about $55,000,000 in the farmers' hands immediately. With the exception of sheep, livestock sales so far this year are 20 per cent. above those of the same period last year, and a moderate price rise has taken place in addition. Our foreign trade balance for the twelve months just ended is nearly $150,000,000 above that of the previous year, and the argument that the import decline is based on business quietness tends to be disproven as trade expands without stopping the decline in imports. The increased volume of funds, at any rate, remains in the country. Basic production expanded during February, as shown by steel and iron products figures, and dry goods manufacturers report a decided improvement in orders from the distributors. All this is reflected in railroad freight loadings, which have climbed steadily since late in December, and in the last government statement of employment which shows a larger number of men at work in every province.

But why has all this not stimulated general business? Two factors enter into the answer. These two months are a more or less barren period for business, and a decided improvement is rarely recorded. In addition, our expectations were rather too high. The truth is that with our burden of debt we do well to register any advance at all. The best proof that a steady and satisfactory recovery is being made is in statements of collections and debt liquidation. A leading finance corporation states that its collections in the West are the best for years, and that back debts are being met better than ever before. Other commercial organizations report a similar situation. The money, fortunately, is going into the payment of back obligations before new commitments are made, which is the only sane way. This is the reason why there has been no spectacular business advance, but only a steady, gradual pull; nor is business likely to become suddenly better. The movement is slow, but inherently sound.

Move for Consolidation Quebec Power Interests

QUEBEC.—It is reported here that a further movement is being made towards the control of all the large power supply companies of the province of Quebec by the group of financial interests, following the move of Sir Herbert Holt, president of the Royal Bank of Canada, to gain control shortly of the Duke-Price Grande Decharge development works.

With this control, the Shawinigan, in which Sir Herbert has very large holdings, and the Montreal power interests would be so very closely associated that even if no merger is formed, the effect would be the same in the working arrangements.

REFINANCE SIMPSON CO.; NO CHANGE IN BIG STORE CONTROL

Subsidiaries All Under One Company—Burton is Vice-President

Control of the Robert Simpson Co., Toronto, has passed to a holding company, Simpsons, Ltd., operating under a federal charter. The new company will also control the Simpson subsidiaries. No change in control is involved, but Wood, Gundy & Co. and Dominion Securities Corp. announce the offering of $5,600,000 20-year, 6½ per cent. bonds to finance the new company.

Besides the large Toronto department store and mail order house, the Simpson Co. controlled the John Murphy store in Montreal, as well as the Robert Simpson Eastern, Halifax; The Robert Simpson Western, Regina. Through complete stock ownership of The Robert Simpson Company, Ltd., the new company, therefore, will control all of the companies constituting the Simpson group. The businesses will continue to be operated under the present executive direction, and it is pointed out that one of the primary purposes of the present issue will be to afford officers and department managers an opportunity to acquire a more important shareholding interest in the business.

This is the first new financing in connection with the Simpson organization for a period of nearly thirteen years, at which time the preferred stock was offered in Canada and Great Britain. This stock carries a 6 per cent. dividend, and is very firmly held, the market being around 96.

The Simpson business was established in 1872 by the late Robert Simpson, first as a dry goods house, and later as a departmental store. In 1896 it was acquired from his heirs by a company organized by H. H. Fudger and Sir Joseph Flavelle, under whose direction the business has since been operated. C. L. Burton, general manager of stores, has been associated with Mr. Fudger for about thirty years, and with the Simpson Co. since 1912.

This reorganization and financing disposes of recent rumors that the Simpson business was being acquired by American capitalists. It is definitely stated that there will be no change in control, and that Simpsons, Ltd., will comprise among its shareholders not only the present holders of the common shares of The Robert Simpson Co., but also a number of the chief executives and managers of the company. The directorate of the new company will be as follows:

Sir Joseph Flavelle, Bart., chair-

(Continued on page 9)

FOREIGN IMPLEMENT DEMAND IMPROVED

Cockshutt Plow Found Canadian End of Business Unsatisfactory

Cockshutt Plow in 1924 earned a profit of $64,347 before depreciation. The Canadian business of the company during the period has not been satisfactory. This state of affairs was accounted for by the agricultural depression and the absence of new settlers and was further accentuated by tariff changes and uncertainty, all of which played a considerable part in curtailing sales. The company's foreign trade shows a distinct improvement and it is hopeful that the demand will be maintained.

The reduced volume of sales caused a stoppage of manufacture for a considerable period. Very substantial reductions have been made in selling expenses. Profits were just sufficient to meet the writing off made necessary on account of the depression, which was especially noticeable in Western Canada.

Inventories have been substantially reduced, also the volume of accounts and bills receivable. On the other hand banking and trade liabilities have fallen from $2,300,000 to less than $1,000,000. Inventories have been written down to conform with the reduction in selling prices and $100,000 has been charged on this account against the merchandise reserve.

The company paid one quarterly dividend on its preference stock in respect of the first quarter of the year. In view of the unfavorable trade conditions which then became fully apparent, it was decided during the second quarter that it was inadvisable to continue to draw on reserve for the purpose of paying dividends until there is a change for the better.

TAXATION SHOULD NOT DISCOURAGE SUCCESS IN LIFE

One of the Reasons Why Canadians Going to States

From Our Own Correspondent

OTTAWA.—"Oh, for a Canadian Coolidge who would put the brakes on expenditure and taxation!" is a sentiment that has been expressed by more than one member of the House since the president made his inaugural address.

Horatio Hocken gave expression to it the other day in a discussion on the estimates. He did not see how the business interests of this country could be expected to hold their own while the federal expenditure on this side of the boundary line was $45 a head, as compared with $25 on the other side.

The following from the president's address has attracted particular attention:

"We cannot finance the country, we cannot improve social conditions, through any system of injustice, even if we attempt to inflict it upon the rich. Those who suffer the most harm will be the poor. This country believes in prosperity. It is absurd to suppose that it is envious of those who are already prosperous.

"The wise and correct course to follow in taxation and all other economic legislation is not to destroy those who have already secured success, but to create conditions under which every one will have a better chance to be successful."

Speaking on influences that promote emigration, a person of prominence said the other day:

"Aggressive young men, those with spirit and determined to go ahead, are leaving in large numbers for the United States, because governmental policy over there advertises to our people that it is pre-eminently the land of opportunity.

"There is not as much envy if a man makes a few dollars over there as there is with us. Among us there has been fostered a sentiment that if a man develops a natural resource and makes a little money out of it, he is considered a plunderer. Such an idea is absurd. The people don't believe it, and yet governmental policy is shaped too much on this theory. The result is that too often the very cream of our young people are found leaving the country.

"We might as well come to the conclusion that it is useless for us to expect to advance rapidly in either population or wealth as long as we penalize individual initiative and enterprise as we have been doing. America has been developed under a system that has given the individual free scope. The result has been a development without parallel in the history of the world. It is useless for Canada to expect to buck it. If we do we shall simply be side-tracked. Our young people believe that they are just as capable, just as well prepared for life, and just as progressive as Americans. They are not prepared to take a back seat to them. They think that they have as much right to the prizes in life as the youth of any other country, and they are determined to have them. This is why so many of our young people leave their native home."

Ontario Moves to Get Business From Quebec Mining Camp

The Ontario government has authorized the building of the government-owned T. and N. O. Railway into Rouyn, Que. It is believed that the action was taken on the urgent solicitation of Toronto business men. They will be pleased. On the other hand, Montreal will be displeased, and, perhaps, the Quebec government also. The ministers of that government have frankly stated that they preferred to have the C. N. R. or C. P. R. build into the camp. The C. N. R. has already announced that it would extend a branch south from the Transcontinental, so that the Ontario announcement may cause resentment as a direct bid for the business of the camp which Quebec ministers feel should go to Montreal.

The T. and N. O. has already ordered supplies, placed a contract and expects to soon have 2,000 men busy building the road. In the meantime, Noranda's annual report to shareholders is soon expected. It will reveal the financing and development plans of that company for the Horne property in Rouyn Tp. It is this property that is expected to develop a tremendous freight traffic for the railways, as it will require a smelter.

Of ranking importance is said to be the possible site for the smelter which will have to be built, and in this connection there are indications that Quebec has already evolved a scheme to outdo the Ontario road. It is said that insofar as the Quebec government is concerned, that Destor Tp., away north of Rouyn, will be the site. There it is removed from any agricultural sections. Incidentally, it would be on the line of the C. N. R. branch running south.

RED AGITATORS ARE BARRIER TO BUSY, CONTENTED MINERS

High Wages in Maritimes Keep Price of Coal Up —Limits Market

The Maritime coal mines are in the grip of a miners' strike. British Empire Steel heads say that the walk-out is the work of "Red" agitators, and that the bulk of the men, a fine body, is being misled. The men counter with charges against senior officials of the company, much the same as they outlined in presenting their case to the federal minister of labor.

The mines are closed, and for a time it was feared that they would be allowed to flood. Maritime coal has lost the Maritime market. It cannot compete with Virginia coal, which enjoys cheaper labor. That only by lowering wages can the mines successfully operate, says Besco officials. United States coal has been selling at Prince Edward Island $2 a ton under Nova Scotia coal.

The situation is much akin to that in Western Canada. The miners struck for a higher wage. They lost and accepted ultimately the operators' scale. Operations had not long been resumed when it was found that at the price at which they were forced to sell their coal, due to the wage scale, that there was no market. They closed down. Some of the mines negotiated a better agreement, reopened their mines and are working at capacity.

Nova Scotia mines have not operated at more than half-time for years. The high price of the product has limited its market, especially at Montreal and points west. Sales have been possible there only when competitive coal was at peak prices. It has long been contended that steady operations would produce cheaper coal, greatly enlarge the market, and in the end net the miners more, practically ensuring them work the year round. The "Red" agitators seem to be the barrier.

Get-Together Opportunities

The statement by Robert Forke, leader of the Progressives, that he has no fault to find with moderate protection for Canadian manufactures, but that he would like to have the government announce a definite policy and stand by it, and the suggestion by Tom Moore, president, Dominion Trades Congress, that the tariff question should be taken out of politics and revised on a scientific basis are significant developments in regard to our national fiscal problems. They indicate a willingness on the part of the organized farmers in the one case and organized labor in the other to recognize the importance of taking a broader and more tolerant view on controversial issues.

In these statements, as in the meeting of representatives of the Canadian Council of Agriculture and the Canadian Manufacturers' Association in Toronto last week, there is evidence that different factions in the country are coming to appreciate that the common interest is bound to suffer if some constructive effort is not made to establish a common ground as between agriculture and manufacturing and capital and labor, as well as between the different provinces with their varied, and, in some respects, divergent interests.

Canada is a big country. There are many and varied economic problems. But most of these problems can be better solved through co-operation and co-ordination than by developing a spirit of sectionalism. The Toronto Board of Trade is launching a movement to arouse a national interest in matters which are common to various sections of the country. This program was announced fittingly at the meeting held last week when the members of the Canadian Council of Agriculture were guests of the board. S. B. Gundy, who is given a large portion of the credit for the plan, said:

"The apparent diversion of interest, the lack of co-operation between the various provinces of Canada is a regrettable fact which it would be dangerous any longer to ignore. It would seem fitting that the first concrete move in the direction of that better understanding, which we are all anxious to arrive at, should emanate from the Toronto Board of Trade. It is the intention of the executive to endeavor to foster a get-together plan among the various boards of trade of Canada to see, if by possibly a series of addresses delivered in various parts of the country by men of independent thought—without political bias—a better understanding cannot be reached, a more sympathetic view each of the other arrived at. The ground-work might thus well be formed for expert investigation and in the end it might be found that all the provinces could agree on certain fundamentals connected with the economic life of this country.

"The policy of drift is not an attractive one and we hope that the western delegation present to-day will go back home with the feeling that an earnest group of men in Ontario are not selfishly unmindful of the western problems. If the plan develops and the call comes to the west, we hope response will be 100 per cent. and if the same encouragement is given in the east a better atmosphere may be created as between the various provinces.

"The Toronto Board of Trade welcome suggestions looking to this end from all parts of Canada."

If the Canadian Manufacturers' Association, the Boards of Trade, and other organizations, will take advantage of the present situation, and the broader interest in the tariff and other problems which has been indicated there would seem to be an opportunity to accomplish something worth while.

MERGER OUTLOOK BRIGHTENS

MONTREAL. — Asbestos merger negotiations were resumed this week in New York and the negotiators have shown some disposition to come to the terms asked for by two of the larger Canadian companies. This makes the merger prospect look brighter.

CLOTHING SOLD IN CANADA AT LOSS IN LAST 5 YEARS

Tariff on Raw Materials Ate Holes in Profits of Industry

During the past five years clothing has been sold at a loss. Balancing manufacturers' profits against losses, would show a net loss in operation. These two statements are taken from the annual report of R. P. Sparks, president Canadian Association of Garment Manufacturers. These lead to review of the position of the industry from the standpoint of the tariff. He says:

At no time in the history of the country has there been so much agitation about the tariff, and, if the statement be true that clothing has been sold at a net loss, it is, therefore, true that the amount of duty which manufacturers have paid on their raw material has not been fully collected from the consumer. Duty is only one item of cost. There has been paid into the treasury millions of dollars by way of duty on the raw materials which we use and a lesser amount collected from the consumers of the country, the balance having been contributed out of the capital of the manufacturers. When it is considered that the direct expenditure of the consumer on clothing is nearly as much as on all other manufactured articles put together, it will be seen that, insofar as this industry is concerned, the operation of the tariff has actually put money in the pockets of the consumer and taken it from the pockets of the manufacturer. I believe this applied to many industries besides our own. This condition, of course, is abnormal, and could only occur during a time of falling commodity prices and unprofitable business, and it will right itself in time, but it is an interesting fact, in view of the agitation against tariff protection.

Even during normal times the net profit on the production of clothing is very small. I believe it could be demonstrated that it is less than three per cent. on turnover on the average. That is to say that for every $100 we pay out in cost of raw material, duty, labor and overhead costs even in the best of times we collect not more than $103 from our customers. In times such as the past few years, when in the aggregate the production of clothing has been carried on at a net loss, we have collected less than we have paid out, and this applies to payments of duty as well as other items of cost.

Mr. Sparks says that taxation is a serious immediate problem and contends that the evasion of sales tax is so easy in this industry that he is convinced that a very considerable percentage of the total production is being sold without the payment of sales tax. This is not due to laxity on the part of the officials who have to do with its collection, but is due to the nature of the tax itself. In the industry there are hundreds of manufacturers who keep no adequate records and even the closest inspection will fail to establish whether sales tax is being fully paid or not. Competition is so keen and profits so small that manufacturers who pay sales tax have absolutely no chance in competition with those who evade payment.

D.U.R. Can Now Issue Receiver Certificates

MONTREAL. — Market trading in Detroit United shares will still continue here. Placing a railway in the hands of a receiver is unknown in this country and in such a case Canadian procedure would be through the medium of liquidation or under the Bankruptcy or Winding-Up Act. In the United States, however, this process is common enough, for about 70 per cent. of the traction companies operating there to-day have, at one time or another, been in receivership. From the point of view of the bondholder, this action on the part of D. U. R. is not without a certain menace, for there can now be issued securities known as Receiver Certificates. If issued, these would rank ahead of the company's bonds and they may be sold without the consent of the bondholder if the funds are for operating expenses, but an issue of this nature which is to be used for further extensions must, first of all, be authorized by the bondholders.

BRITISH FIRM SELL BONDS

MONTREAL.—A British bond firm have taken over 60 per cent. of the Newfoundland bonds which were offered on March 3.

ROBB SAYS POST WARRANTED IN ITS GONTHIER REPORT

Had Reason to Feel Disturbed in Regard to Statement Made

THE AUDITOR EXPLAINS

Makes Clear His Position — Felt it His Duty to Bring Certain Matters to Attention of House

From Our Own Correspondent

OTTAWA.—Auditor-General Gonthier has replied to the recent criticism of his report made by Hon. J. A. Robb, and which resulted largely through the prominence given by THE FINANCIAL POST to the contents of this report. In his reply, Mr. Gonthier says:

Dear Mr. Robb:

I have the honor to acknowledge the receipt of your letter of the 28th ultimo, calling attention to an article on the front page of THE FINANCIAL POST, of the 27th February, which you say is evidently founded on my introduction to the Auditor's Report, 1924.

First: "Over $168,000,000 of past due accounts carried without investigation into collectibility."

I presume this statement is based on a paragraph in my report on page four calling attention to a statement published in part C of Volume 1 of arrears due to the Dominion government, amounting on March 31, 1924, to $168,599,706.70. A similar statement has been published in the Auditor General's report every year for some time.

In making reference to the fact that "no examination was made in the past to ascertain the degree of collectibility of these accounts," I had in mind, as a matter of course, that no examination was made by the Auditor-General and consequently I was not in a position to assume responsibility for the accuracy of the amounts involved.

As I pointed out, some of these arrears are of long standing and I deemed it my duty to inform the House of Commons of this condition of affairs.

I did not say, nor did I have any intention of intimating that there was any negligence on the part of the finance department or of any other department in regard to these arrears, but I certainly do think that it is the auditor-general's duty, as the special servant of the House of Commons, to enquire into the conditions under which they accrued and to inform himself on the attitude of the departments concerned in regard to their collection.

There was no featuring in a prominent manner that I can see in my report of these arrears.

Second: "No examination of securities carried on in the finance department, the largest banking office in Canada."

I do not think that this can be implied from my report, which only states that no systematic examination was ever made by the auditor-general's department, although the treasury board had requested on July 6, 1881, that such an examination should be effected.

I assuredly did not intend to convey the idea that no other examination of the public accounts and securities was ever made by any other person or persons, or that proper means of internal protection

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Beer Price War Faces Breweries of Montreal

From Our Own Correspondent

MONTREAL.—A beer war threatens and if the present situation in regard to the prices of beer continues one of the largest privately owned breweries will make a further price reduction. The present situation is due to the action of one company in offering in occasional bottles, a coupon which can be redeemed at $5. In order to meet the competition which was cutting into the other companies' business, price reductions were announced.

Should this strong company carry out its plans for a still further reduction, it will be rather tough sledding for some of the smaller producers.

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For the present, at least, Russia's unfortunate condition is working to the advantage of the Canadian miller. Canada received the greater part of recent orders aggregating more than 2,000,000 barrels, which is the equivalent of something like 7,600,000 bushels of wheat. Great Britain also has required larger supplies of our flour along with a number of the European countries. At the enhanced prices received for flour during recent months, the return has been very valuable to Canada. The total value of flour production, in fact, is becoming one of the leading items in Canadian industry, as will be seen from the accompanying chart and tables.

The expansion of the Canadian flour industry has been rapid, especially during the post-war years. Export business now takes about 60 per cent. of the total production, or about 12,000,000 of the 20,000,000 barrels produced annually. During the fiscal year 1923-24, Canadian exports of flour increased 218 per cent. over the average pre-war year, while exports from the United States increased only 61 per cent. over the same period.

The present and prospective price situation depends on a number of factors. While the wheat acreage is fundamental, yield has proven the important factor during the past year. The areas under wheat last year were greater than before the war in all continents except Europe. The total was 1.4 per cent. less than during 1923, but 1.3 per cent. greater than the average for the five years 1918-22, and 11.2 per cent. greater than the 1909-13 average. But the chief reason for the relative scarcity this year is the decline in yield. Following is a statement of the average yield in the various continents in 1923-1924 and during the period 1918-22; along with other statistics, showing the position of the flour-milling industry:

Average Yield
(In Centals Per Acre)

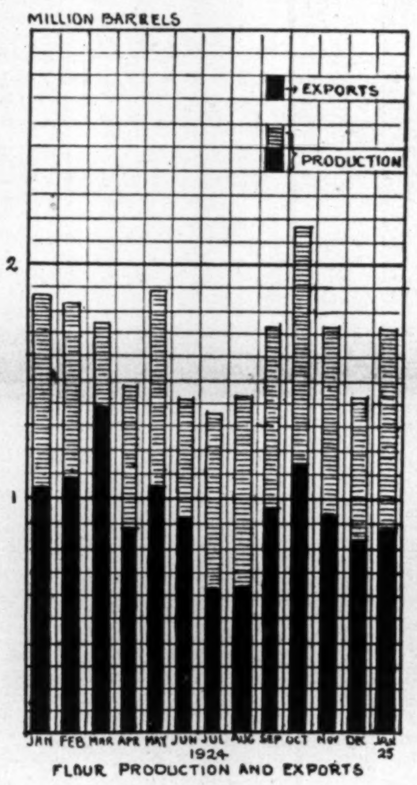
Regions.	1924	1923	Average 1918 to 1922
Europe	9.8	11.6	10.2
North America	8.9	9.3	8.2
Asia	7.2	7.5	7.2
North Africa	5.9	7.6	6.5
Argentina	6.5	8.7	7.0
Australia	9.3	7.9	7.0
General average	8.7	9.5	8.5

Flour Milled and Exported
(Barrels)

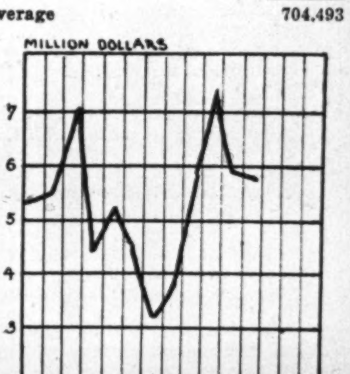
1924	Milled	Exported
January	1,850,321	1,052,259
February	1,811,461	1,091,942
March	1,719,316	1,397,810
April	1,449,435	889,634
May	1,881,038	1,057,487
June	1,412,635	903,212
July	1,353,582	612,960
August	1,425,981	626,213
September	1,737,196	967,771
October	2,143,081	1,144,771
November	1,708,192	905,336
December	1,439,155	828,084
1925		
January	1,698,121	874,765

Home Consumption (approx.)
1924 (bbls.)

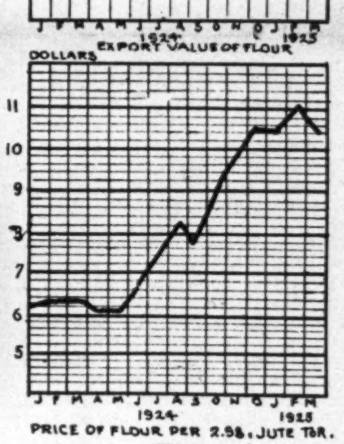
January	798,062
February	719,519
March	321,506
April	559,801
May	823,551
June	509,423
July	740,622
August	799,768
September	769,425
October	998,310
November	802,856
December	611,071
Average	704,493



FLOUR PRODUCTION AND EXPORTS



EXPORT VALUE OF FLOUR



PRICE OF FLOUR PER 2.98. JUTE TBR.

THE FINANCIAL POST

RAILROAD EXPENSES MAY BE $69,000,000

Supplementary Estimates Are Likely to Cause Much Discussion in the House

From Our Own Correspondent

OTTAWA.—The House got quite a jar when "further supplementary" estimates for the year 1924-25 were brought down totalling $7,841,442, of which $7,500,000 was for the Canadian National Railways. When the main estimates for the approaching fiscal year were submitted a few weeks ago, it was intimated when comparisons were drawn with those voted last session, that more money had been spent than the figures up to that time indicated. It was not, however, expected that the amount would be anything like as large as it has proven to be.

These "further supplementaries" bring the total appropriations for the year that expires, March 31, to $414,238,318. The increased vote for the National Railways brings the total appropriations for that system for this year up to $63,500,000. No announcement has been made as to what this extra money is for, but it is assumed that a portion of it went for new equipment, and some for branch lines construction. Information brought down earlier in the session showed that the expenditure on branch line construction last year was $1,650,751.

If the Canadian National Railways received $63,500,000 last calendar year, it is quite evident that the appropriation of $60,000,000 in the 1925-26 main estimates will not suffice, especially as the estimated expenditure on branch lines this year has been placed officially at $8,766,585. The total requirements for the year will likely run about $69,000,000.

This bringing down of the estimates piecemeal, especially to the extent of nearly $8,000,000 after the money has been spent, is very confusing to the public and renders it extremely difficult to make the exact situation, as respects the railways, known to the public.

The bringing down of these large "supplementary" estimates is sure to cause much discussion in the House. Present indications are that revenue and expenditure are sure to receive even more consideration during the coming budget debate than they have for several years.

BUSINESS HERE IF YOU GO AFTER IT

National Cash Register Head Frowns on Pessimistic Business Men

From Our Own Correspondent.

WINNIPEG.—"While I am convinced that nothing ultimately can prevent Canada from going right ahead, I am also convinced that a little more optimism would help to attain that desirable end sooner for it strikes me that business conditions here are just as good or as bad as the business people make them," asserted F. B. Patterson, Dayton, Ohio, president of the National Cash Register Co. "I may be wrong, but I certainly think the business is here if the business men care to go out for it. There should be no sitting back due to pessimism. My company intends going hard after the Canadian business and accordingly is counting on a good year. I find that the benefits of the high grain prices are just beginning to make themselves felt in general business. If these prices keep up and the 1925 crop is good, why, nothing can hinder the speedy advance of the country for suitable immigrants will be attracted to the Dominion as a matter of course."

Decreased Tonnage in Coal Production

From Our Own Correspondent

MONTREAL. — Coal production of Canada for 1924, was 13,617,000 tons which represents a decrease of 3,373,000 tons from the total produced in 1923. The total imports of coal for the past year were 16,829,000 tons being also a decrease of 10 per cent. from the average figures of the preceding five years.

The provinces of Alberta and Nova Scotia were chiefly responsible for the drop in the production of domestic coals; the Alberta decrease amounted to 1,679,000 tons while Nova Scotia produced 1,040,000 tons less than the preceding year. Saskatchewan and the Yukon showed slight increase in production.

AUSTRALIA WANTS AN EQUAL BASIS FOR OUR TRADE

But Their Prices Must Not Exceed the Open Market

Hon. Dr. Earl Page, treasurer of the Commonwealth of Australia, made a strong plea in addresses before Canadian Clubs in Vancouver, Winnipeg, Ottawa, Montreal, and Toronto, for a more equal exchange of trade between Canada and Australia. Canada sells Australia some $25,000,000 worth of goods, whereas, we buy in return less than $2,000,000 worth. This situation he claimed meant higher freight rates because ships were coming to Canada from Australia with small cargoes and returning with large.

Dr. Page referred to the treaty with Canada which the Australian government had ratified, but which had not yet been put through at Ottawa; although he thought it would be concluded in the near future. In this connection there is undoubtedly considerable opposition in different parts of Canada to certain phases of the Australian Treaty and especially insofar as it refers to dried fruits, raisins and currants. It is feared by the Canadian trade and consumers that the raising of the general tariff and giving a preference to Australian raisins is going to increase the price of this fruit to the Canadian trade and public in general by approximately three cents a pound.

During the fiscal year ending March 31, 1924, Canada imported altogether, 38,792,000 pounds of raisins. Of this quantity 35,690,000 pounds, or 92 per cent., came from the United States and only 29,502 pounds from Australia.

Can Australia Supply Us?

In an interview, Dr. Page was told that the total exports of Australian raisins amounted to some 25,000,000 pounds during their last fiscal year. The balance of their crop is consumed at home. Dr. Page's secretary said that while at the present time Australia could not undoubtedly supply the Canadian market, production could be easily increased. After the war many returned soldiers were placed on fruit farms, and he maintained that in a short time these would be producing.

But from the above figures it seems rather doubtful whether Canada's imports could be taken care of by Australia for a good many years, in addition to exports to other countries and home consumption. So that unless we cut down on our own consumption, the price will have to be advanced by about three cents.

The Australian raisin crop comes on the market about the end of February and early in March. Canada's biggest consumption period is in the fall and December. This would mean that Australian raisins if they are to be consumed in Canada would have to be held for six or seven months through the hot season. As one member of the trade said, we like our butter fresh, and so we like to buy raisins when they are fresh. This seems to be another of the big stumbling blocks insofar as Australian raisins and currants are concerned.

Dr. Page's claim for more Canadian buying in Australia was chiefly on sentimental grounds. But as there isn't much sentiment in business these days, it seems the only reason why the Canadian trade would buy Australian dried fruits is on price and quality. Recently, for instance, there has been a drop in prices of Grecian currants of about 10 shillings. This would mean about 2½ cents per pound which would about offset any preference Canada is giving Australia. But the point is that it would be difficult to get the Canadian trade to buy Australian currants if they can purchase from Greece at a lower price.

TEXTILES RAISE PRICES

MONTREAL.—A price increase approximating 5 per cent. has been announced by the Canadian cotton manufacturers. The increased price is due largely to higher prices at which raw cotton is selling. One manufacturer told THE FINANCIAL POST that should cotton reach 30c., as has been predicted for April, still higher prices will ensue.

Canadian Conditions

Car Loadings—		
	1925	1924
Week Feb. 28	52,417	56,916— 8.0%
	1925	1924
Yr. to date	460,631	443,884+ 3.7%
Grain Receipts—		
Aug. 1 to Feb. 27	127,014,432	293,498,864—32.9%
Building—		
	1925	1924
January	$4,236,154	$4,087,102+ 3.6%
	1924	1923
12 months ..	112,978,719	120,174,563— 5.9%
Bank Clearings—February—		
	1925	1924
	$1,079,666,662	$1,265,380,844—13.2%
Savings Deposits—Chart. Banks—		
	1924	1923
Decem.	$1,237,611,267	$1,180,037,130+ 4.8%
Current Loans—By Banks—		
	1924	1923
December	$938,711,730	$1,011,612,518— 7.2%
Net Dominion Debt—Jan. 31—		
	1925	1924
	$2,415,471,564	$2,411,388,604+ .18%
Railway Earnings— January—		
	1925	1924
C.P.R.	$11,896,513	$13,392,432—11.2%
Oper. ex.	11,312,744	12,532,032— 9.7%
Net	583,768	860,399—32.1%
12 Months—		
	1924	1923
C.P.R.	$182,502,156	$195,837,089— 6.7%
Oper. ex.	145,274,914	158,358,079— 8.3%
Net	37,227,241	37,479,010— 0.6%
12 Months—		
C.N.R.	$235,588,182	253,135,487— 6.9%
Oper. ex.	218,343,931	232,704,838— 6.1%
Net	17,244,251	20,430,649—15.6%
Balance of Trade— 12 months Jan. 30—		
	1924	1923
Exp.	$1,063,829,743	1,019,860,499+ 4.3%
Imp.	799,982,015	901,512,730—11.2%
Bal.	263,847,728	118,347,769+122.9%

General Electric Not Liable to Investigation

NEW YORK. — The General Electric Co., in a letter to its stockholders, has made public the opinion of its attorneys that the federal trade commission, under the resolution adopted in the United States Senate on February 9, has no power to inquire into the affairs of any individual stockholder or other security holder. The general purpose of the senate resolution was to determine the extent of the General Electric's control of power companies and to ascertain if it is operating in violation of anti-trust laws.

THE CUSTODIAN

It is not enough for a custodian of other people's money to handle it as if it were his own. He should handle it as if it were not his own, for he has no right to exercise personal latitude with what does not belong to him. That is the point of view responsible for millions of dollars being continually placed in the custody of this Company.

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LIMITED

NOTICE OF DIVIDENDS

Notice is hereby given that a dividend of one and three-quarters per cent. (1¾%) has been declared on the PREFERRED STOCK of the Company for the quarter ending the 31st day of March, 1925.

Notice is also hereby given that a dividend of one and three-quarters per cent. (1¾%) has been declared on the COMMON STOCK of the Company for the quarter ending the 31st day of March, 1925.

The above Dividends are payable on Wednesday, the 1st day of April, 1925, to Shareholders of record at the close of business Monday, the 16th day of March, 1925.

By Order of the Board.

MERVYN OFFER,
Comptroller & Secretary.
Montreal, 19th February, 1925.

The Porto Rico Railways Company, Ltd.

Notice is hereby given that a quarterly dividend of One and Three-quarters per cent. (1¾%) has been declared payable on the Preferred Stock of this Company on the 1st day of April, 1925, to shareholders of record at the close of business on the 20th day of March, 1925.

By order.

T. A. SPOOR,
Secretary.

WHO WILL CONTROL NATIONAL PARKS IN RESOURCE TRANSFER

Important Question Coming Up During Alberta Transfer

HANDLING TOURISTS

Future of This Traffic May be Involved if Parks Are to Go to the Provinces

From Our Own Correspondent

OTTAWA. — Legislation transferring natural resources within the province of Alberta to the provincial government is bound to bring up several other questions that will provoke quite a discussion. Among these is the ownership of the national parks within the province. The bill not having been laid before parliament, nothing definite can be said about its contents in this respect, but it is assumed that the parks being a portion of the natural resources, would be with the latter. If this is correct, there is sure to be strong opposition to the proposal. In Alberta are to be found the best known of the national parks, including Banff, Jasper, Waterton Lakes, Elk Island, Buffalo, and Nemiscan Antelope. These have come to be looked on as national assets in a sense that the ordinary resources found within the provinces are not. They are national because of their very distinctiveness.

Those who contend that these parks should be retained by the Dominion say that, aside from other considerations, the Dominion government has developed them, and brought them to the position that they now occupy both in this country, in the United States and other countries. They also contend that this development will have to go on, if the Canadian public is to get the full return from these assets.

It is pointed out that the handing over of these parks to the provinces would be attended with real danger to their preservation as national institutions. The pressure exerted by those after concessions is always more strongly exerted against the provincial governments than against the Dominion, and the fear is expressed that little by little the parks may be whittled down. There is also the question of the ability of a province, such as Alberta, to spend the money that is necessary for the continued development of parks like Banff and Jasper.

Policy of the States

In the United States some of the best known national parks have been placed under federal control by the voluntary action of the states, a good example of this being the Yellowstone National, in which four states figured in the transfer. Over there the great movement for the conservation of national resources centred very largely in the matter of federal control, it being considered that the central government was the only one strong enough to do proper work of this kind.

Control of the national parks is also linked up closely with the development of the tourist business. At present the latter is attended to by the Dominion Parks branch of the Department of the Interior, which devotes much of its energies to this work. It is natural to think that if the national parks in Alberta passed to the provincial government, the Department of the Interior would let up in its efforts to stimulate tourist traffic to these resorts. Certainly the changing of ownership would end that close co-operation between Interior, as being responsible for the parks, and the tourist business.

The whole subject will be thoroughly thrashed out when the terms of the transfer come before parliament for ratification, which probably means some time next month.

ALBERTA POOL TO PAY SEVEN MILLIONS

Interim of 35 Cents Will Bring Relief to Many Farmers

From Our Own Correspondent.

CALGARY.—Distribution of an interim payment of 35 cents a bushel to the members of Alberta Wheat Pool will relieve many farmers who have marketed their wheat on the co-operative plan. Loud cries were being heard from many districts of the province, and it was possibly this outcry that resulted in the interim payment being made ealier than was the case last year, which was about the middle of March, although pool officials state it will take about three weeks for all the cheques to be sent out.

While no indication has been given by the officials of the pool as to the amount that is being distributed, a fairly correct guess is that it is in the neighborhood of seven million dollars. This is based on an estimate of about 22,000,000 bushels of wheat being handled by the pool.

If the pool came about by an "accident," which H. W. Wood, the president of the United Farmers of Alberta stated it did at the annual convention of that organization at Edmonton in 1924, it has been a mighty happy "accident" as things have gone. If the final payment, somewhere about harvest time, is anything approaching the interim payment, then the pool farmers will have received something like $1.50 a bushel for No. 1 Northern on the Vancouver basis, which means a deduction of approximately 16 cents.

Approximately 65 per cent. of last year's rice crop is already in second hands and according to wholesalers' reports, a shortage next year must result.

How Sales Tax Discriminates

Example No. 7

Even before the Act came into force on January 1, 1924, it was found that the strict application of the law to lumber would result in hardship and would mean pyramiding of the tax—in fact, that the law would not work.

First a regulation was issued which required wholesalers and retailers dealing in lumber to take out a sales tax license, although the law did not provide for the issue of such licenses. Since then there have been no less than three amendments to the original regulation. And even yet there is great uncertainty in the minds of many firms who deal in lumber as to the correct method of applying the tax.

ALBERTA OPERATORS WILL END PRESENT UNION WAGE PACT

Cannot Operate Because of High Costs and Have Been Closed

From Our Own Correspondent

CALGARY.—Western Canada Coal Operators' Association have notified officials of District 18, United Mine Workers of America, that its members have unanimously decided to give notice on March 31, terminating the present agreement on September 30 next. This has not by any means come as a surprise to those who have been in close touch with the situation. Since the resumption of work in October last, after the eight-months' strike, many of the mines have only operated one or two days a week. The situation has been exceedingly grave in the steam coal fields of the Crow's Nest Pass where the mines, except those operated at Michel and Coal Creek by the Crow's Nest Pass Coal and Coke Co., have been absolutely idle, and the distress has been so great that the provincial government is at the present time giving relief in the way of food in the most needed cases.

Undoubtedly the action of the Crow's Nest Pass Co. in negotiating a direct agreement with its men has been one of the deciding factors in leading members of the association to give notice of the termination of the wage agreement. Mines operating under that agreement have been idle owing to their high operating costs, while mines at Michel and Coal Creek have been running steadily ever since the separate agreement was negotiated.

In the domestic field the situation is not much better. They produced little more than half the tonnage of the preceding year, notwithstanding a depleted market when work was resumed in October.

Union officials are beginning to realize that the enforcing of the Jacksonville agreement has not worked out in the way they anticipated. Also that there are other factors besides wages entering into coal mining, and that if operators cannot meet competition with their existing operating costs, there is only one thing they can do, and that is, close down. William Sherman, union president, will not discuss the situation.

REDS EASE UP FOR POLITICAL PURPOSES

Workers' Party and Others Give Way to Less Offensive Labor Party

From Our Own Correspondent

SYDNEY. — Bolshevism is officially taboo in Cape Breton labor circles at the present time. The personnel of the different organizations is largely the same, but the old names have been discarded because of adverse publicity. The Independent Labor Party has vanished, so has the Workers' Party of Canada, the Workers' Educational Club and so forth. All are now united in the Canadian Labor Party, an old name familiar years ago and revived for the recent civic elections, and for the impending provincial conflict. Successful in New Waterford, they were decisively defeated in Sydney. This is on the political end only. On the straight union side, the steel workers' union has disappeared, and has been replaced by a local of the O. B. U., which makes no bones of its presence, but paints its insignia on the doors and windows of its hall and distributes the O. B. U. Bulletin.

It is generally understood here that a provincial general election will be held in Nova Scotia toward the end of May or early in June. The present House was elected July, 1920, and consequently has but five more months to go, in any event. The Liberals have been in power for 42 years without a break.

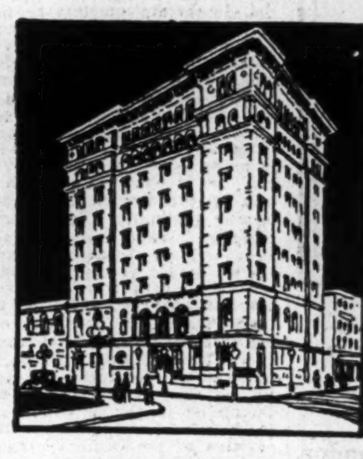
Farmers Protest Against Petersen Shipping Subsidy

The Canadian Council of Agriculture has advised the government to be cautious in regard to the proposal for a subsidy for a North Atlantic shipping service. The following resolution was passed at the convention in Toronto last week:

"Pending an investigation establishing the extent to which ruling ocean rates are unreasonable and that they will be effectively reduced by granting Dominion government subsidies, and considering Canada's serious financial position owing to existing obligations and existing burdens of taxation, the Canadian Council of Agriculture, while recognizing the concern manifested by the Dominion government in the matter of ocean rates, goes on record as deprecating so serious an expenditure of public moneys by means of subsidies which in principle are undesirable and justifiable only in cases of proven national necessity."

The Bank of Hamilton

A Chapter in the Story of a Canadian Banking Family



Head Office
of the Bank of Hamilton
Hamilton
now occupied by
The Canadian Bank of Commerce

THE establishment of the Bank of Hamilton in 1872, two years after the assets of the Gore Bank were taken over by The Canadian Bank of Commerce, gave Hamilton once more a local banking house; and, as was the case in other Canadian communities during the last century, the local support which such an institution was able to command contributed greatly towards the building up of many businesses which are now fully national in their scope.

With the industrial centre of Hamilton as its base, the Bank soon began to extend its field of operations, opening branches in central and western Ontario from 1874 onwards. In 1896 an office was opened at Winnipeg, the first of a chain that was eventually to stretch westward to the Pacific Coast.

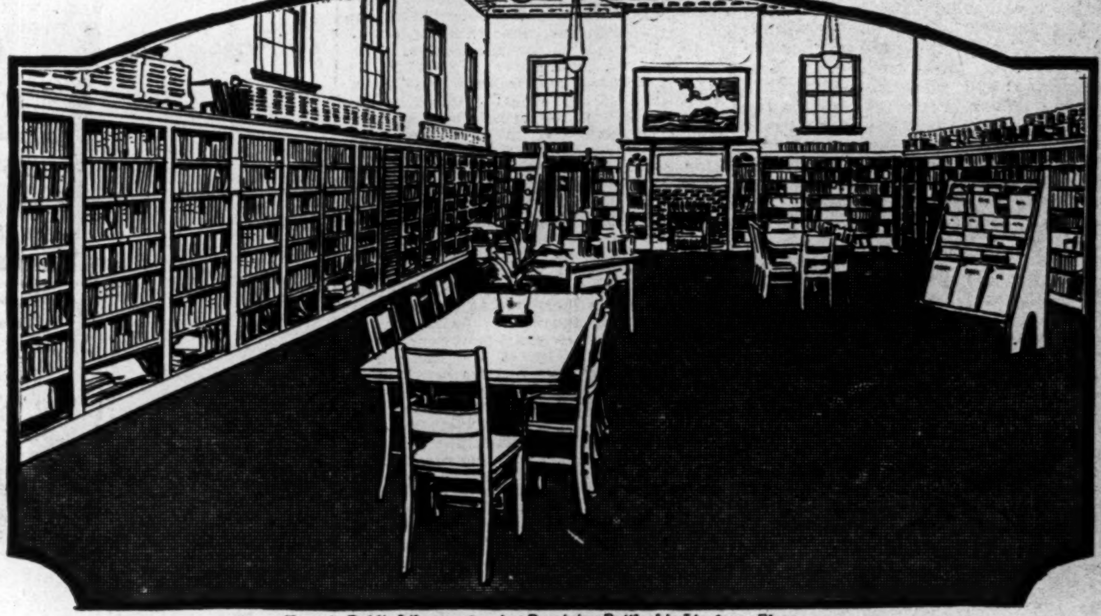
A change had gradually been coming over the banking situation in Canada, however, as the economic life of the country was being welded into one great national unit. The burden of financing the country's business, especially since the war, has in short, emphasized the need for consolidating and conserving banking resources, in order to procure the maximum of operating efficiency and to offer the public the most complete service possible. In accordance with this general banking trend a proposal was made towards the latter part of 1923 for the amalgamation of the Bank of Hamilton with The Canadian Bank of Commerce, which, on receiving the necessary authority, became effective on the last day of that year.

By this union The Canadian Bank of Commerce rounded out its national system, especially in the heart of Ontario, where both institutions had their beginning.

One of a series of advertisements describing the banks now incorporated with The Canadian Bank of Commerce.

THE CANADIAN BANK OF COMMERCE

A16



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Dominion Battleship Linoleum, Triple A, is made in eight standard shades — brown, green, terra cotta, grey, blue, black, white and buff. Double A and Single A, in four standard shades only. Special colors for large contracts.

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The Securities Markets

CANADIAN STOCKS REACT, REFLECTING NEW YORK BREAK

Declines During Past Week Were More Numerous Than Advances

MARKET INDICATOR
(20 Industrial Stocks)

Week Mar. 11 High	Week Mar. 11 Low	Week Mar. 4 High	Week Mar. 4 Low	Mar. 1924 High	Mar. 1924 Low
74.2	72.6	7.52	72.4	71.3	67.0

Some brokers who have continued on the "Bullish" side, insofar as the New York market is concerned, have spent considerable energy the past week explaining to clients that the recent reaction in New York was due to heavy profit taking and "Bear" raids. They make the point that the last rally carried the market to the highest point on record, hence the profit-taking. The obvious intention of such letters seems to be to convince investors and speculators that there is not a great danger lurking.

The fact of the matter is that the statements made could have applied to the market any time since the first reaction in the present upward move took place. It is time that there has been heavy profit taking all the way up. THE FINANCIAL POST has repeatedly made the point that distribution is going on, that strong hands that got the stocks when they were low are now letting go, taking profits and placing the stocks in hands that will be severely tried when there comes a heavy decline, as will be the case sooner or later. This creates a situation that is bound to have a marked effect on the Canadian exchanges. As reactions become more marked and severe in New York, they will grow in severity in Canada. When the breaks get to the proportion that sacrifices have to be made to protect accounts, the Canadian exchanges will find Canadian shares being thrown overboard at New York along with the rest. Then the weak Canadian account will begin to feel the pinch, and the rush for cover will start. Selling on a declining market always forces more selling. is the way one broker put it.

The above opinions gathered from brokers are fairly well substantiated by the action of the Canadian exchanges during the past week, when the New York break was strongly reflected with 60 losses, compared with 49 advances, and 46 stocks remaining unchanged. Outside the banks, which are generally regarded as investment stocks, and are usually being bought when other stocks are being sold, the decline was fairly well distributed, as will be seen by the table below. There was some strength to the papers and utilities, but this is attributed to issues that were subjects of special news of a constructive nature. Three of the basic groups, milling, steel, and textiles, were noticeably weak.

One reader of THE POST asked recently what he should do in regard to further commitments in face of the danger of a break in the market, and after pointing out that there had been some reaction during the week in shares which he held, his problem was put up to a leading broker, and the advice given was as follows:

"Purchases may still be made but should be tempered with caution and judgment. The time to buy is only on substantial reactions and then only sound stocks showing good earning power over a period: ones that have not entirely discounted prospects of better earnings and dividends, should be taken up."

The trend of the market is shown:

	Gains	Loss	Unch.	Total
Banks	7	1	3	11
Paper	6	5	2	13
Steel	2	8	8	18
Milling	2	6	3	11
Utilities	6	8	3	17
Transportation	4	8	3	15
Textiles	3	6	6	15
Industrial	19	18	18	55
	49	60	46	155

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REPORTS

Willard's Place New Mortgage in London

Willard Chocolates have secured a loan of $600,000 in the English market. No issue of bonds or stock was made, but a first mortgage was given on the company's plants, which are valued at approximately $2,000,000. The money was borrowed on favorable terms, it is said, and is sufficient to take care of mortgages falling due, and will in addition provide capital for extensions. The company plan to extend the lines of their present list of products.

BURT CO. DECIDES ON SPLIT OF STOCK

New Shares of $25 Par Will Pay a Higher Dividend

F. N. Burt Co. will reduce the par value of its $100 shares to $25 and issue four shares new for one old.

S. J. Moore, in making the announcement, said that a special meeting would be called March 24, when the directors would submit a by-law re-dividing the common stock into shares of $25 each.

Mr. Moore said that the amount of the capital would not be changed; it was proposed simply to reduce the par value of the common stock from $100 to $25 and to issue four $25 shares for each $100 share outstanding.

Commencing with the July dividend, he added, the directors proposed to place the common stock on a 12 per cent. basis instead of the 10 per cent. dividend rate now paid.

As a result of this announcement the common stock, after opening at 169⅛, sold up rapidly to 180, a net gain of 11⅞ points. For several years now the company has been a consistently high earner, so that it was felt that, at some time, something would be done to give the stock a more moderate price in the list of quotations and thus secure a wider distribution for the shares. Profits in 1924 amounted to $574,657, in 1923 to $594,257, and in 1920 to $842,712. Some idea of the progress made by the company in the last decade may be seen from the fact that in 1915 the gross earnings were only $222,267. At 180, granted a 12 per cent. dividend, the return to the investor will be 6.66 per cent. The dividend record on the common stock has been an interesting one. The rate was increased from four to six per cent. in 1911. There was a reduction once more to four per cent. in 1914 following the outbreak of the war. The rate was again increased to six per cent. for the final quarter in 1916. An increase to eight per cent. followed in 1919 and to 10 per cent. in the autumn of 1920. The latter rate has since prevailed. The F. N. Burt Co. was organized in its present form in September, 1909, with a capital of $750,000 of preference and $750,000 of common stock for the purpose of acquiring three concerns doing a similar line of business, one of them in Buffalo and two of them in Toronto. In 1911 the Dominion Paper Box Co. was acquired. The sound principles on which the constituent companies mentioned were built up has been adhered to and developed, as is indicated in the prosperous nature of the whole undertaking.

Expectations of Good Showing for Breweries

From Our Own Correspondent.

MONTREAL.—The annual report of National Breweries will be out within the next few weeks. THE FINANCIAL POST understands that earnings for 1924 will be higher than for the previous year, while the liquid position of the company will show considerable improvement. The recent slump in this stock was caused more by selling on the part of certain interests, than by the drop in price of beer itself. The retailer now obtains beer at $2 less for each barrel and corresponding cuts have been made on bottled lots. It is generally felt that this cut in prices will react more unfavorably towards the smaller producers than towards breweries who have, during the past year, installed more efficient machinery and who are in a good position to meet competition. In fact, it has been said that this cut in prices pretty well wipes out the margin of profit of some of the smaller producers.

CANADA PAPER ANNUAL

MONTREAL.—At the annual general meeting of the shareholders of the Canada Paper Company, C.R. Hosmer was elected president, replacing the late Joseph Kilgour.

It is understood that the year 1924 has been one of satisfactory progress for the company, but the annual statement is never made public.

TORONTO LOEW'S GOOD YEAR

Toronto Loew's annual report ready for the annual meeting, March 27, is said to show a satisfactory year and that current earnings are quite gratifying. The company has bought in another $30,000 of its outstanding second mortgage bonds and is apparently in a position to purchase more of these bonds at will. The favorable operating results reported in recent weeks have been responsible for bringing about enhanced prices for the preferred shares.

CEMENT RUMORS SEND STOCK TO HIGHER LEVELS

Talk of Increased Dividends Considered Premature—Market is Strong

From Our Own Correspondent.

MONTREAL. — Canada Cement common has advanced from 92½ at the beginning of the year to a present high of 106. In certain quarters there exists the belief that higher dividend action is expected or a melon cut. Buying is said to have been on the part of those who look, not so much to immediate returns, but to the future, and who judge the company's record, not by what it returns to the investor in good times, but what it does in the rougher periods. Persons in close touch with the activities of cement point out that through the reduction of the funded debt, they are obtaining gradually a larger equity in its earnings. What the policy of the company will be when the bond interest has no longer to be reckoned with, is a matter for conjecture, but the bonds do not fall due until 1929. At the present time, through the operation of the sinking fund, the funded debt has been reduced from $8,000,000 to $5,204,646. At this rate of redemption, the total funded debt at the maturity of these bonds should be in the neighborhood of, say, $4,000,000. Judging from the present position of the Cement's investment account, the bonds could be retired at maturity without putting out a refunding issue. From this, it is apparent that those who are buying the stock are looking more to its cumulative value, rather than to any quick turn.

In other words, the present prices at which the stock is changing hands comes from a better realization on the part of the public of the record of this performer on the board; and the basis of their hopes for the future lies in the capable and careful management which in the past has built up a corporation well able to meet its dividends through thick and thin and which, since its inception in 1909, has been able to show the investor an almost constant increase in value holdings.

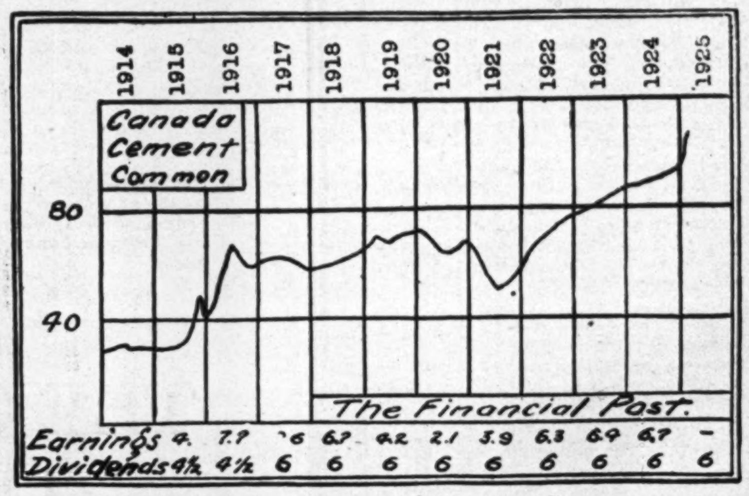
Will Dividends Increase?

A greater disbursal of profits at the present time would be out of line with the policy which has been pursued by the management for the past fourteen years, and which has so successfully built the company up, is the best opinion available. Cement looks to the public as well as to the shareholders, for now the prices for their product are lower here than in any other country. The company will, should the demand show an improvement, reduce the price still further, so that not only are they endeavoring to build up the company so that it may declare dividends in good times and in bad, but also they are building up a good-will which should have a certain future value.

The accompanying graph shows the value placed on the company's stock as recorded by market prices. The earnings on the common stock in each case are shown after liberal sums have been set aside for reserves. The policy has been one of always ploughing back the earnings into the property. This policy has brought results which have been so noticeable during recent years.

High Prices Are Paid For Next Salmon Pack

The demand for canned salmon has been very keen of late and cases which last year brought $12.00, have already been quoted as high as $16.00 for next year's catch. That is, fish which are still swimming unconcernedly uncaught, will be so high priced that a shortage is predicted. There has been an easing in the demand for shares of B. C. Fishing following the publication of the annual report. A week ago the shares sold at 34 and are now around 30. It could hardly be said that the report was disappointing, as the company is in a much better position than anyone expected it would be a year ago.



BROMPTON YEAR; PROFITS SHOWED SHARP DECREASE

Calling of 8's is Included in Plans for New Financing

From Our Own Correspondent

MONTREAL.—The annual report of the Brompton Pulp & Paper Co. shows a sharp falling off in profits for the year. The total earnings after providing for depreciation, bond interest and preferred dividends amounted to $407,509 or $2.9 on the common stock as compared with earnings in 1923 of $835,111 or $7.1 on the common.

	1924	1923
xGross inc.	$1,128,581	$1,802,163
Depreciation	255,000	326,418
Balance	873,581	1,475,745
Bond int.	288,572	303,134
Net inc.	585,009	1,172,611
Subsid. pfd. div.	17,500	17,500
Balance	567,509	1,155,111
Pfd. divids	160,000	160,000
Surplus	407,509	995,140
Prev. surp.	4,217,142	3,382,031
Total surp.	4,624,651	4,377,142
Pfd. divid. arrears	....	160,000
P. and L. surp.	4,624,651	4,217,142
Earned per share com. stock	$2.91	$7.10

xAfter deducting administrative expense, selling expense and income tax.

Figures showing the company's working capital position as at December 31 of the past three years compare as follows:—

	1924	1923
Curr. assets	$5,701,234	$5,260,673
Cur. liab.	2,617,193	2,563,955
Net work. cap.	3,084,041	2,696,718

The working capital is in an improved position for it is up over $300,000 and now stands at $3,084,041. The ratio between the current assets and current liabilities stands at over 2 to 1.

The report to the shareholders from the president states that it is the intention of the company to erect at Bromptonville a newsprint mill of 100 tons daily capacity. This project will be carried out by floating a new bond issue of $3,000,000. With the proceeds of the new issue it is intended to retire the 8 per cent. bonds which are now outstanding; the balance of the new issue will erect the newsprint mill which will absorb the whole of the pulp production at Bromptonville, P.Q. The shareholders will be asked to authorize the creation of this new $3,000,000, 6 per cent., 20-year issue.

Referring to the business experience of the company during the year, F. N. McCrae, the president, indicated that the poor showing which had been made was largely due to the results which were obtained from the plants in the United States. "During the year a good demand was in evidence for newsprint and other paper products manufactured at East Angus. In the United States business experienced a hesitancy which is apt to characterize a presidential election year. Although shipments from your American plants campared favorably with previous years, the irregularity with which orders were received interfered materially with the profitable operation of the mills. This condition was largely responsible for the year's decrease in earnings. Business is now working to a more normal basis in the United States and better results are reasonably to be expected for this year."

BREWERY EARNINGS 26.3% ON COMMON

Working Capital Shows Decline as Compared With Previous Year

MONTREAL.—The annual financial statement of National Breweries shows an increase of over $40,000 in profits for the year ending Dec. 31, 1924. Earnings on the common stock are 26.3 per cent. as compared with 25.3 of the previous year and 34.9 in 1922, which was the best year that "Brewers" experienced.

Net earnings amounted to $1,072,897, as compared with $1,029,704 in 1923. Depreciation reserves provision amounted to $212,155, as against $187,093, and bond interest was somewhat lower at $73,200, leaving net income of $787,542, as against $764,611. After deducting the usual preferred dividends amounting to $194,250, the balance remaining for common stock was $593,292, as against $570,361. Dividends on the common stock required $360,688, leaving a surplus for the year of $232,604, as against $209,673. This was added to the surplus brought forward from 1923, making the profit and loss surplus $2,904,872.

Working capital shows a decline of $148,000. This is due to a decrease of $136,000 in current assets and an increase of $12,000 in current liabilities.

The decrease in current assets was mainly due to a reduction in the inventories. The bank loans show an increase of $400,000 and now stand at $600,000, but there has been a decrease of $388,000 in accounts payable.

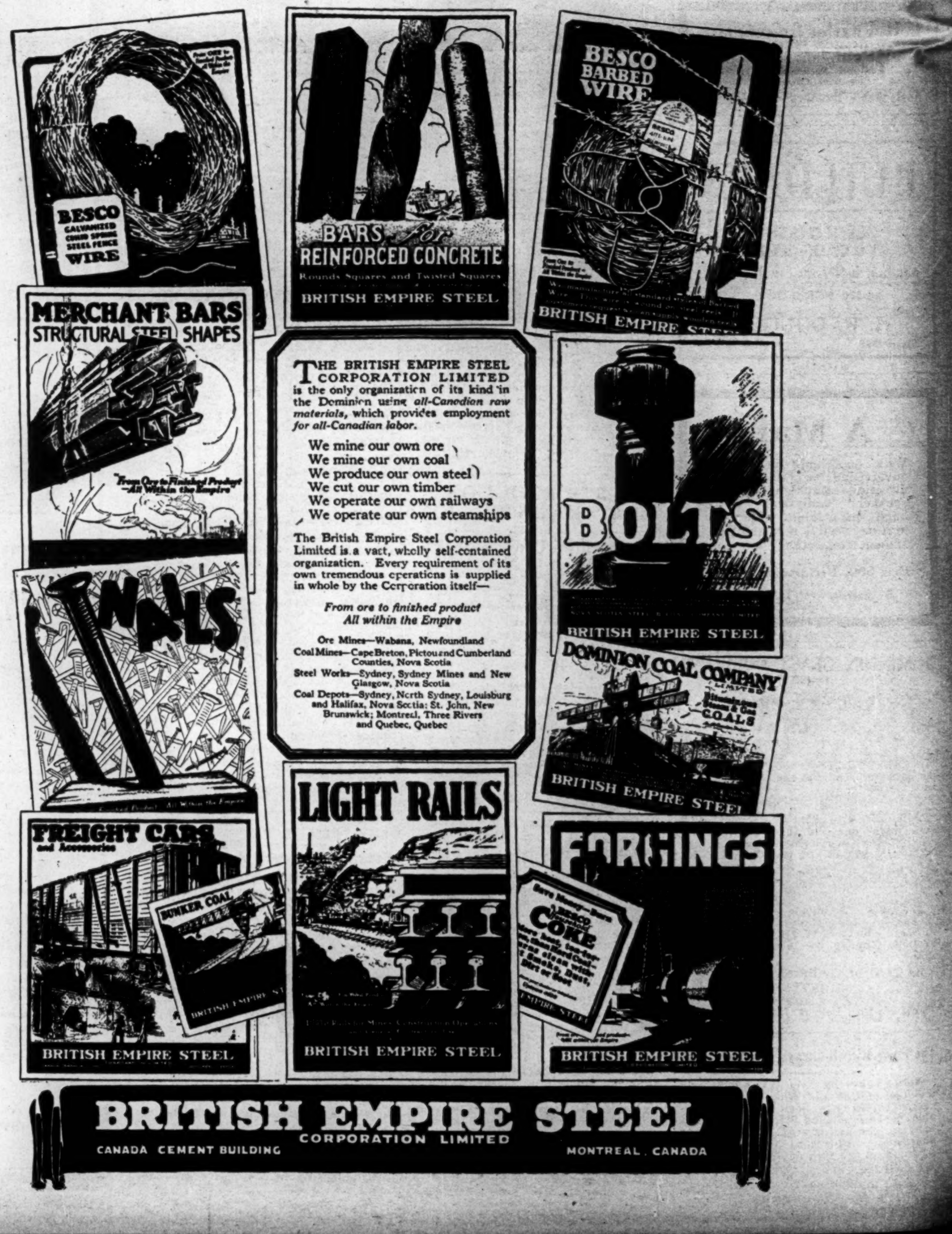
Under other circumstances, the showing made by the company would have proven favorable from the market angle, but the report has been issued at a time when he conditions of the trade are unsettled, due to the recent cut in the price of beer.

Profit and loss account figures follow:

	1924	1923
Net earnings	$1,072,897	$1,029,704
Depreciation	212,155	187,093
Bond int.	73,200	78,000
Net inc.	787,542	764,611
Pfd. divids.	194,250	194,250
Com. divids.	360,688	360,688
Year's surp.	232,604	209,673
Prev. surp.	2,672,268	2,462,595
P. & L. surp.	2,904,872	2,672,268
P. C. on com.	26.3	25.3

Working Capital

	1924	1923
Cur. assets	$2,390,747	$2,526,245
Cur. liab.	1,245,865	1,233,904
Net working capital	1,144,882	1,292,341



THE BRITISH EMPIRE STEEL CORPORATION LIMITED is the only organization of its kind in the Dominion using *all-Canadian raw materials*, which provides employment *for all-Canadian labor*.

We mine our own ore
We mine our own coal
We produce our own steel
We cut our own timber
We operate our own railways
We operate our own steamships

The British Empire Steel Corporation Limited is a vast, wholly self-contained organization. Every requirement of its own tremendous operations is supplied in whole by the Corporation itself—

From ore to finished product
All within the Empire

Ore Mines—Wabana, Newfoundland
Coal Mines—Cape Breton, Pictou and Cumberland Counties, Nova Scotia
Steel Works—Sydney, Sydney Mines and New Glasgow, Nova Scotia
Coal Depots—Sydney, North Sydney, Louisburg and Halifax, Nova Scotia; St. John, New Brunswick; Montreal, Three Rivers and Quebec, Quebec

BRITISH EMPIRE STEEL
CORPORATION LIMITED
CANADA CEMENT BUILDING MONTREAL, CANADA

Iron and Steel

STORY NOW TOLD OF HOW CANADIAN WAR PLANTS GREW

Canada Made 75,000,000 Shells Worth One Billion Dollars

From Our Own Correspondent.

MONTREAL.—During the war, when Canada's munition manufacturing activities were at their peak, the demands of national safety made necessary a certain secrecy regarding operation. The true story of the amazing, almost overnight, development of citizen arsenals from St. John's, Newfoundland, to Vancouver, B. C., could only be sensed by people; facts and figures could not be told. After the war there was a complete lack of interest in anything but the problems of the peace, and no attempt was made to analyze the extent of Canada's industrial development as the result of the war, nor was there much interest in the totals of war production. In the face of this situation, there was danger that the magnificent story of munitions manufacture in Canada might have been lost entirely. One feels, then, deep gratification to Col. David Carnegie, formerly Ordnance Advisor to the Shell Committee, and to the Imperial Munitions Board, for having written a comprehensive history of the munition supply in Canada during the war, which has just been published by Longmans, Green and Company of London and Toronto.

The book is comprehensive in indicating the totals of munitions production, in indicating how the equipment to manufacture shells, explosives and chemicals was organized, in outlining contracts finance and delivery, in discussing the development of new methods and the benefits that accrued from the new work. Likewise, it is very free in telling of the individual work of such men as Sir Joseph Flavelle, chairman of Imperial Munitions Board; General Sir Alexander Bertram, chairman of the original shell committee; Sir Charles Gordon, Sir James Wood, and others too numerous to mention.

Some Things Canada Gained

Col. Carnegie indicates many benefits that came to Canada from the shell and munitions manufacture altogether apart from the billion dollars of revenue it meant for the country. He refers to such important developments that were the results of war-time necessities, as the refining of zinc in Canada for the first time through the establishment of a refinery by the Consolidated Mining and Smelting Company in British Columbia. Toluol was refined from the waste gases of coke in Nova Scotia. Acetone was manufactured at Shawinigan Falls, and later in Toronto, and an immense plant was built by the Shawinigan Water and Power Company to manufacture acetic acid. The quality of Canadian steel was improved. Mainly, though, came the benefit of greater standardization in Canadian industries.

A good deal is made by Col. Carnegie of the increased capacity of Canadian plants. In this connection, one wonders if a sequel will not have to be written; a story of what happened to Canadian war plants after the armistice. Some of them were scrapped; some became the nuclei of stock jobbing schemes that enabled their erstwhile owners to unload them on the public; others were mere burdens on balance sheets that threw concerns into liquidation, others are today operating at full blast and have become important additions to Canada's industrial fabric. There were some 675 war plants in Canada, not all of them new plants, such as the chemical plant at Trenton, the electric forgings plant at Ashbridge's Bay, Toronto; the explosives plant at Nobel, etc.

Net Gain or Loss?

In the same sequel one will have to assess the net result to manufacturers. Large profits were made by manufacturers. The profits, while large, were not unreasonable, as Col. Carnegie definitely indicates. But many concerns made enormous capital investments that were much greater than the profits realized. Only the other day the annual statement of one of Canada's largest companies referred to its two-million-dollar war plant that has been a burden ever since, and which is only now giving promise of becoming profitable in its operation.

On the whole, though, the profits, as indicated by the balance sheets of one Canadian company after the war were exceedingly satisfactory, due to the sustained high level of output that was possible. And it is pointed out that the various plants operated by the Imperial Munitions Board, directly, not only returned their full capital cost, but a profit of over one million dollars.

Col. Carnegie's work does not attempt to estimate the extensive value of other war activities of Canadian manufacture, apart from munition manufacturing. The work of the textile companies, the shoe manufacturers, the food packers, etc., does not come within the scope of his work.

Incidentally it is to be hoped that in subsequent editions of this vital and valuable record, that the opportunity will be taken to have the proof pages read by some one who has an intimate knowledge of Canada. In a work of semi-official character, certainly of an authoritative character, it is unfortunate that the name of Robert Reford, of Montreal, should be spelled Robert Redford; that Dundas, Ontario, should be spelled Dundee, and the name of J. J. Gibbons, the well-known advertising agent of Toronto, should be given as Mr. T. T. Gibbons. It is amazing that Col. Carnegie's work, so replete with statistics and details, has so few errors of this type, which are almost unavoidable.

While totals are given of production in many lines, it may be summed up that Canada made seventy-five million shells valued at nearly a billion dollars, and manufactured nearly one hundred and fifty million pounds of explosives.

BESCO SHARES NOT MOVED BY STRIKE

Company's Other Activities Are Showing General Expansion

From Our Own Correspondent

MONTREAL.—The tie-up of the coal mines of British Empire Steel has had little effect on market prices for the three classes of stock. The executives in Sydney indicate that the strike will be of short duration, due to the fact that the resources of the workers are much depleted. The attitude of the executives in Montreal has not expressed itself yet, but those who are close to the company feel that Besco are unable to sell the miners' services at the price which they demand, and that the mines will not be operated at a loss. Iron production of the company's mines in Newfoundland has taken an upward turn and although the smelting of the ore requires coal, the strike will not affect this branch of the operations, for they have over three months' supply on hand.

At the Sydney steel plant, production has been steadily increasing until now the plant is practically working at capacity. Several of the departments of this plant too, have during the last two weeks, made new records for production.

The Trenton works have commenced work on the orders for tie-plates and other railway equipment for which the demand has shown an increase of late. Work in the car shops is being confined to the assembly of materials with which to carry out the automobile car order of the Canadian National.

Pig iron production for February was high; in fact, almost as high as it has ever been, while the steel production is up to about 60 per cent. of the capacity. Should this activity be maintained it will make a considerable difference, not only to Besco, but to the whole province.

The coal production which has been cut off by the strike amounts to about 340,000 tons per month.

Expansion of Besco's Steel Operation Continues

From Our Own Correspondent.

SYDNEY.—In spite of the miners' strike, the Besco steel plant here continues to expand its operations, with officials confident in the knowledge that there is sufficient coal in the local bank to last for over two months if the struggle in the coalfields should continue that long. Steel production has attained almost capacity, two blast furnaces supplying the necessary iron for the operation of 12 open hearths. New production records have been set at blooming, wire and rod mills, and the working staff is now over 2,000 and increasing daily.

EASTERN ENGINEERING

Andre C. Attendu, president of Eastern Engineering Company, is now in Montreal, having spent most of last month at Philadelphia supervising tests of an engine manufactured by the company for the United States government. The tests started on February 4th. Mr. Attendu will return to Philadelphia early next week. That he considers the present situation satisfactory is indicated by the following statement which he made for publication:

"Judging from several enquiries made recently by shareholders at the company's offices, the sagging in the market price of Eastern Engineering stock is accompanied by the circulation of unfavorable rumors.

"I would consider it regrettable if this situation resulted in undermining the confidence of shareholders, and in influencing them to dispose of their holdings under pressure of undue anxiety. As president of the company, I have no hesitation in stating that the physical and technical position to-day is more favorable than at any time in the company's history, and that the result of the work done in the last few months has added considerably to the real value behind the shares of the company."

IMPERIAL STEEL RECEIVERSHIP

Trusts and Guarantee Co. has been named receiver on behalf of bondholders of Imperial Steel Corporation, Limited. This company has extensive buildings and equipment for the manufacture of wire nails and other similar products in the town of Collingwood.

ALGOMA STEEL'S RAIL RECORD

By turning out 1,461 tons the rail mill of the Algoma Steel Corporation established a new production record for a period of 24 hours, breaking a record which had stood for almost a dozen years.

The new record is 20 tons above the previous high mark of 1,441 tons, established on July 19, 1913.

Price of Lead Factor in Rise of Smelters

MONTREAL. — Consolidated Mining and Smelting, large producers of lead, stand to benefit by the promised higher prices for this commodity. Since 1920, when lead dropped as low as $5.80 per cwt., prices have made a gradual advance, and in 1924, the average price was $8.08. Authorities predict that prices will continue their upward movement due to increased consumption in the U. S. and falling off in the European production.

Europe consumes and produces less lead than she did before the war, but the United States both mines and consumes more. There is an increased production in United States and Mexico, which offsets the shortage. Production at the present time is with difficulty keeping pace with the demand and some have predicted that in the not distant future the demand will exceed the supply. Mexican production, hampered by fear of revolutions, is said to hold the key to the market at present.

The Canadian output in 1913 was 19,000 tons, in 1923 55,000 tons, 1924, 89,000 tons, practically all from B. C.

This lead situation has been a factor in pushing Smelters' stock up to the 70 mark. The par for the stock is $25. In 1922 the company earned nine per cent. on the common stock and in 1913 16 per cent. For the past two years six per cent. has been paid on the common, and previous to this no dividends were paid for two years. The annual statement will be published in a week or two.

Withhold Verdict in City Dairy Split of Assets

The market is awaiting the details of City Dairy's plan for a division of assets before passing an opinion one way or another on the policy. Since the annual meeting the shares have held firm within the narrow margin of 79½ and 80. It is rather interesting to note that when the distribution takes place it will cut into the earnings of City Dairy and make that stock worth considerably less, but to get the shares of the new subsidiary, City Dairy must be held. As to the future movements of City Dairy, these will depend on just how the proposal will size up when received. City Dairy has not been making the profit that it could have. The fact that 45 per cent. has been earned has already caused some comment. Some lean to the belief that the new plan may mean two subsidiaries, one the Dri-Milk Co. and the Milk Producers' Co., the latter to handle the collection of milk for resale to the parent milk-distributing company, City Dairy. It is possible that capitalizations will be arranged to coincide with the capitalization of the parent company, in which event a share-for-share exchange basis could be arranged. Holders of old stock would receive two shares of new. Preferred shareholders in City Dairy would be subjected to special consideration under this arrangement. As the subsidiary companies would be engaged in independent work, their revenues could naturally be segregated, and substantial distributions could be arranged for shareholders, while the rate on the old might remain as at present, $3 a year. There is no doubt that the business would be so adjusted as to leave earnings of the parent company at a margin which would permit of the retention of a moderate dividend on the common.

STOCK MOVEMENTS OF THE WEEK

WEEK ENDING MARCH 10

	Div. Rate	Yield Mar. 9	High for wk.	Low for wk.	Close Mar. 10	Close Mar. 3	Sales for wk.	Range 1925 High	Range 1925 Low
Commerce	12+1	6.50	201	198	201	198	372	210	194¾
Dominion	12+1	6.65	196¾	194½	196¾	194½	104	196¾	189
Can. Nationale	10	6.75	149	148	149	148	104	150½	148
Imperial	12+1	6.89	188½	187	188½	189	168	193	188
Molsons	12	6.97	..	..	..	..	..	174	170
Montreal	12+2	5.64	248¾	246¾	248¾	248½	349	250	245
Nova Scotia	16	6.00	267	266	266	266	31	267	263
Royal	12+2	5.93	236	235½	236	236	103	237	227½
Standard	12	6.93	173	172½	173	172½	17	173	170
Toronto	12	6.03	199½	198	199	197	437	221	192¾
Union	8	7.28	110¼	108	110¼	109	40	110¼	105
Paper—									
Abitibi, com.	4.00	6.06	66½	65½	66	65¾	4495	67	62
Do. pref.	7	6.51	107½	107½	107½	..	4	107½	101
Brompton Pulp	.	....	29	28½	29	29¾	505	33½	28½
Laurentide	6	7.27	96½	81¼	82½	83	835	96½	81
Price Bros.	2	4.96	40½	40	40½	40½	165	40½	36
Prov. Paper, com.	6	6.25	97½	96	96	96	11	97½	88¾
Do. pref.	7	6.96	100½	100½	100½	100	5	100½	95
Smith, Howard, com.	.	....	30½	28	28	30	380	31	21½
Do. pref.	8	9.04	89½	85	88½	85	298	89½	69½
Spanish River, com.	7	6.48	109	107½	107½	108¾	2690	111½	87
Do. pref.	7	5.77	121½	121½	121½	121	175	127	112½
St. Maurice Paper	6	7.22	..	..	..	..	..	85½	83
Wayagamack	.	....	47	47	47	51½	195	52	34½
Steel and Steel Industries—									
B.E. Steel, com.	.	....	3½	2½	3	2½	330	3½	2½
Do. 1st pref.	.	....	30½	29	30½	32	60	34	29
Do. 2nd pref.	.	....	10½	8½	8½	10	1821	11½	8
Can. Car & Found., com.	.	....	52½	52½	52½	53½	360	57½	49½
Do. pref.	7	8.14	87	85	86	87	505	90½	85
Can. Foundries, pref.	.	....	..	..	..	..	..	50	45
Canada Iron, com.	.	....	..	..	..	8	..	8	8
Do. pref.	.	....	35	35	35	35	84	35	35
Can. Locomotive, com.	4	5.97	..	..	..	..	..	72	64
Do. pref.	7	8.04	87½	86	86	86	53	90	85
Dominion Coal	.	....	..	..	..	..	..	50	45
Dominion Iron, pref.	.	....	..	..	..	27	..	28	26
Dom. Radiator	7	6.96	100½	100½	100½	100½	5	102½	100½
Dominion Bridge	4	4.53	88½	88½	88½	88	85	93	77½
Dom. Steel Corp., pref.	.	....	36	36	36	36	10	38	36
N.S. Steel, com.	.	....	..	..	..	..	..	13	12½
Do. pref.	.	....	..	..	..	..	..	32	32
Ontario Steel, com.	4	9.24	43½	43½	43½	..	15	53	43
Do. pref.	7	7.60	..	..	..	..	..	93½	91½
Steel of Canada, com.	7	8.21	85½	85	85½	85½	880	89	83
Do. pref.	7	6.36	110½	109¾	110	110	188	112	105
Milling—									
Canada Bread, com.	4	3.63	110	110	110	115	220	125	98½
Do. pref.	7	6.66	105	105	105	105	20	105	102½
Inter. Milling, pref.	7	7.00	100	100	100	100½	30	102	99
Lake of Woods, com.	12	6.38	188	188	188	188	5	188	184
Do. pref.	7	5.60	125	125	125	..	20	125½	121
Maple Leaf, com.	.	....	85½	85	85½	..	44	100	80
Do. pref.	7	6.93	101	100	100½	100	220	101	98
Ogilvie Flour, com.	12	2.69	149	148½	148½	150	230	150	141½
Do. pref.	7	5.55	126	126	126	126	17	136	121
St. Lawrence Flour, com.	4	7.69	53	52	52	54	10	65	52
Do. pref.	7	7.44	..	..	..	..	..	..	..
Western Can. Flour	8	7.40	..	..	..	108	..	110	107
Utilities—									
Bell Telephone	8	5.83	138	134½	138	134½	906	138	133
Consumers Gas	10	6.04	167½	164½	167½	164½	60	170	164
Dom. Telegraph	6	6.12	49	49	49	49	176	49	38½
Kaministiquia	8	6.40	122	122	122	125	25	125	103
Mackay, com.	7	6.08	117	114½	115	116½	191	117½	114½
Do. pref.	4	5.88	69½	68	68	69½	135	69½	67½
Mexican Light, com.	.	....	24½	24	24½	23	275	24½	22
Do. pref.	.	....	62	61½	61½	61½	150	62	57
Montreal L.H.& Pr.Cons.	7	4.04	175½	172	173½	175	2695	175½	152
Montreal Telegraph	8	6.72	47½	47	47½	46	65	55	45
Ottawa L. H. & Pr., com.	6	5.71	105	100	100	101	35	105	100
Do. pref.	6½	6.19	105	104½	105	103	25	105	102½
So. Can. Power, com.	1.00	....	71½	71	71½	71½	174	72½	67
Quebec Power, com.	.	....	88	87½	87½	88	65	90	85
Do. pref.	7	6.66	105	105	105	..	1	105	105
Shawinigan	7	5.14	136½	136	136½	136	179	138½	103½
Transportation—									
Can. Pac. Railway	10	6.75	149	148	148½	148¼	128	152½	148
Canada Steamships, com.	.	....	13	12½	12¼	12½	80	13½	11
Do. pref.	.	....	47	45½	45½	45½	595	50	45
Tractions—									
Barcelona	.	....	21	21	21	..	50	28	20
Brazilian	4	7.40	54½	53¾	54	54	2694	57½	53¾
Detroit Un. Rly.	.	....	20	15	16½	21	4658	29	20
Duluth-Superior	.	....	41½	40½	40½	41	738	42	35
Illinois Traction, pref.	6	6.45	..	..	..	..	..	93½	92
Montreal Trams	10	5.91	169½	169	169	169½	32	173	165
Ottawa Traction	4+1	....	..	..	..	..	..	68½	62
Porto Rico Rly., com.	.	....	39½	39	39½	40	85	42	35½
Do. pref.	7	7.77	90	90	90	90	58	90	84
Quebec Rly.	.	....	..	..	..	..	..	22	22
Twin City, com.	4.00	6.15	67	62½	65½	65	4390	67½	58
Do. pref.	7	7.21	97	97	97	..	30	97	94½
Winnipeg Elec., com.	1	....	46	44½	44½	46½	1418	47½	35½
Do. pref.	7	7.08	99	98	98	99½	202	..	..
Textiles—									
Can. Conn. Cotton, pref.	8	....	48	48	48	49½	15	50	46
Can. Converters	7	8.38	84½	83½	84	84½	185	87	80
Can. Cotton, com.	8	7.40	108	108	108	111	220	112	106
Do. pref.	6	6.66	..	..	..	90	..	92	90
Can. Woollens, com.	.	....	..	..	..	..	..	14½	5
Do. pref.	.	....	48	48	48	50	4	50	40
Dom. Textile, com.	4.00	5.71	70½	69	70½	69½	1659	90	66
Do. pref.	7	6.22	..	..	..	..	..	115	111
Monarch Knitting, com.	.	....	..	..	..	..	..	30	30
Do. pref.	7	10.00	..	..	..	..	..	80	70
Montreal Cotton, com.	6	6.09	98½	98½	98½	97½	15	99	95
Do. pref.	7	6.20	112½	112½	112½	110	130	121	109
Penmans, com.	8	5.47	148½	145	146	150	550	156	145
Do. pref.	6	6.00	100	100	100	..	58	100	100
Wabasso Cotton	4.00	6.66	..	..	..	..	..	60	56
General Industrials—									
Amer. Salesbook, com.	4.00	9.75	41	41	41	40	25	41	38
Do. pref.	7	7.52	93	92	93	92½	171	93	90
Asbestos, com.	2	4.54	44½	41	41	43¾	235	45½	35
Do. pref.	6	7.14	85	83	83	85	160	88	73½
Atlantic Sugar, com.	.	....	26½	21½	25½	21	5536	37½	13
Do. pref.	.	....	67	62	66	62	1720	..	..
Bird & Son, pref.	7	8.43	..	..	..	..	..	88	83½
B.C. Fishing	.	....	32	29½	30	34	2655	34½	19
Burt, F. N., com.	10	5.84	180	154½	180	154½	1935	180	140
Do. pref.	7	4.16	168	155	168	154	16	168	142½
Canada Cement, com.	6	5.64	106½	103¾	106½	108½	3192	110½	90½
Do. pref.	7	6.25	112½	111	112½	110½	72	114	107
Cons. Rubber, com.	.	....	..	..	..	..	..	..	..
Do. pref.	7	8.14	..	..	..	..	..	90	86
Can. Gen. Electric, com.	.	....	..	..	..	..	..	54	54
Do. pref.	7	6.48	54	52½	53½	53½	296	60	52½
Can. Indust. Alcohol	1.28	6.92	18½	18	18	18½	3057	20½	18
Canada Salt	8	6.95	..	..	..	..	..	116½	112
Carr. Factories, com.	.	....	1	1	1	1	20	2½	1
City Dairy, com.	12	3.75	80½	78	80½	80	789	85½	65
Do. pref.	7	6.36	110	110	110	..	26	110	105
Crows Nest Coal	6	12.50	..	..	..	..	..	49½	46
Cuban Can. Sugar, com.	.	....	9½	8½	8½	9½	53	10	7
Do. pref.	.	....	44	42½	42½	44	59	44	35
Dom. Canners, com.	.	....	94½	82	94½	86½	1480	100½	56½
Do. pref.	7	7.33	98½	94	98½	100	101	100½	94
Dominion Glass, com.	7	6.14	114	114	114	113	135	116½	112½
Do. pref.	7	6.31	..	..	..	..	..	112	110½
Dominion Stores, com.	1.00	....	33½	33½	33½	33½	163	34	28½
Do. pref.	8	8.00	100	100	100	..	3	100	71½
Davies, Wm. (A)	.	....	..	..	..	..	..	32	24
Eastern Theatres, com.	.	....	..	..	..	..	..	15	14
Do. pref.	7	9.33	75	75	75	73½	10	75	73½
Goodwins, com.	.	....	..	..	..	..	..	15	15
Do. pref.	7	9.33	..	..	..	..	..	75	75
Goodyear Tire, pref.	7	7.07	99½	97½	99½	99½	219	100½	90
Holt, Renfrew, new	.	....	21	21	21	..	25	21	20
King Edward Hotel	.	....	26	26	26	..	3	26	20
Lyall Construction	.	....	18	11½	11½	18	15	26½	11
Macdonald, A.	.	....	9	8	8	9	40	11½	4½
National Brew., com.	4.00	7.24	54½	51½	53½	54½	3814	68	51½
Do. pref.	7	6.60	106	106	106	106	10	106½	105½
Pacific Burt, com.	6	6.25	96	95	95	..	35	96	94
Do. pref.	7	6.73	104	104	104	104	5	107	103
Port Hope Sanitary, com	.	....	59	58	58	59	45	60	53
Do. pref.	7	7.69	90	88	90	89	92	91	88½
Rogers, Wm. A., com.	.	....	62	60½	61	..	176	65	59½
Do. pref.	7	7.44	95	94	95	94	55	95	90
Russell Motor, com.	.	....	..	..	..	29	..	28	28
Do. pref.	7	8.64	82	81	81	82	46	82	74½
Sawyer-Massey, pref.	.	....	9	7½	9	7½	45	9	5
Sherwin-Williams, com	6	4.65	130	129	129	129½	335	130	115
Do. pref.	7	6.42	109	108	108	109	33	110	104½
Sterling Coal	4	7.69	52	52	52	52	25	53	49
Tooke Bros., pref.	.	....	..	..	..	..	..	40	37
Tuckett Tobacco, com.	4	5.97	67	67	67	68	5	70	59
Do. pref.	7	6.89	101	101	101	101½	5	102½	96½
Woods Mfg., com.	.	....	..	..	..	..	..	49	20
Do. pref.	7	9.39	70	70	70	..	10	88	70
Pure Gold Mfg.	50c.	....	25	25	25	25	10	25½	25
Trust and Loan—									
Canada Landed	10	5.88	86½	86½	86½	86½	42	88	80
Can. Permanent	12	6.09	200	200	200	..	7	200	190
Hamilton Prov.	10	6.66	..	..	..	..	..	20	20
Montreal Loan	12+1	7.21	..	..	..	..	..	45	45
National Trust	12	5.40	222	222	222	..	7	233	210
Ontario Loan	12	5.50	..	..	..	..	..	100	100
Real Estate Loan	7	7.86	..	..	..	..	..	88	88
Toronto Gen. Trusts	12	5.66	212	212	212	212	4	212	211
Toronto Mortgage	10	5.69	..	..	..	..	..	90	90
Union Trust	7	8.23	..	..	..	..	..	80½	80½

MINING STOCK QUOTATIONS

WEEK ENDING MARCH 10

	Div. Rate	Yield Mar. 9	High for wk.	Low for wk.	Close Mar. 10	Close Mar. 3	Sales for week	Range 1925 High	Range 1925 Low
Apex	..	....	3	3	3	3	1000	6	2½
Algonquin	..	....	..	..	..	..	.....	2½	1
Argonaut	..	....	39	38	38	39	59750	48	29
Atlas	..	....	4½	4	4	4½	4800	5	3½
Baldwin	..	....	6	4½	5½	6	194400	7	2
Beatty	..	....	1½	1½	1½	1½	34700	1½	1
Barry Hollinger	..	....	48½	47	48	47½	110900	48½	42
Beaver	..	....	34	33½	33½	34	18100	37	26
Bidgood	..	....	13	10½	12½	13½	74800	16½	5½
Boston Creek	..	....	6½	5½	6	6½	5500	7	4½
Buckingham	..	....	5	4½	4½	5	35000	5½	3½
Can. Lorrain	..	....	43½	42	42½	43	12850	50	42
Capitol	..	....	35	32	32	32	25800	37½	32
Castle Tre.	..	....	85	77½	83	77½	84250	88	71
Clifton Cons.	..	....	20½	18	18	18½	58950	25½	14
Coniagas	5	12.56	2.00	1.99	1.99	2.02	500	2.30	1.99
Cons. Smelters	6	2.17	70½	68½	69½	69½	3317	72	48
Cons. W. Dome	..	....	18½	16½	17½	16½	153250	22	16
Col. Kirkland	..	....	7½	5½	6	7½	125200	10½	4
Crown Res.	..	....	45	43½	44½	44½	596195	54½	43
Davidson	..	....	..	..	..	..	.....	4	2½
Dome Mines	2.00	13.02	15.99	15.35	15.35	16.00	2099	16.50	13.25
Everett	..	....	9½	8½	8½	8½	88000	10	4½
Gifford	..	....	½	½	½	½	6000	½	½
Gold Reef	..	....	1½	1½	1½	1½	5000	2	1½
Goldale	..	....	21½	19½	19½	20	24300	22½	18
Hattie	..	....	1½	1½	1½	1½	62500	2½	1½
Hattie P.	..	....	50½	50	50	51	4800	67	50
Inter. Nickel, com.	..	....	27	27	27	26½	10	27	25½
Hollinger	13	4.51	14.60	14.40	14.40	14.65	3895	15.65	14.40
Hunton	..	....	7½	6½	7½	6½	50700	8½	4½
Inspiration	..	....	..	..	..	..	.....	10	7
Indian	..	....	16	10	11	16	64350	17	5
Keora	..	....	19½	15½	17½	17½	204400	19½	9½
South Keora	..	....	24½	22	23½	24½	35100	26	20
Keeley	24	11.65	2.12	1.98	2.06	1.99	19435	2.32	1.98
Kirk. Rand	..	....	..	..	..	..	.....	60½	40
Kirk. Lake	..	....	46	44½	46	45	10850	60½	35
Lakeside	..	....	11½	9½	9½	11	47950	15½	9½
La Rose	..	....	44½	41	41	41½	32015	54	7½
Lake Shore	20	3.54	5.81	5.60	5.70	5.65	3450	6.10	4.51
Lorrain T. L.	..	....	1.20	1.18	1.20	1.16	3700	1.34	1.14
Lorrain	..	....	24	17	21½	17	581950	24	12½
McIntyre	20	5.60	18.01	17.50	17.85	18.00	2167	18.25	16.00
McKinley	..	....	44½	36	37½	35	593360	44½	15½
Mining Corp.	..	....	2.89	2.70	2.80	2.70	16850	3.16	2.55
Moneta	..	....	16	15½	16	15	9500	18½	14½
Newray	..	....	26½	25½	25½	27	11000	28½	25
Nipissing	12+6	14.24	6.40	6.32	6.32	6.30	595	6.80	6.10
Night Hawk	..	....	25	25	25	35	1000	49½	25
Ophir	..	....	6½	6½	6½	6½	18000	7½	3
Pererson Lake	..	....	10½	9½	9½	9½	105500	12	8½
Porcupine Crown	..	....	5½	5½	5½	5	1000	8	4
Premier Gold	32	13.33	2.45	2.35	2.40	2.35	8550	2.57	2.15
Preston E.D.	..	....	9½	9	9½	9½	52300	12	8½
Teck Hughes	..	....	1.49	1.38	1.46	1.39	100600	1.49	1.23
Thomp. Krist.	..	....	2½	2½	2½	2½	1000	3	1
Timiskaming	..	....	28½	26	26	29	1305	30	20½
Tough Oakes	..	....	37	35	35½	35½	33100	45	35
Trethewey	..	....	22	18	22	18	42220	22	16½
Skead	..	....	15½	14½	15	14½	10000	20	14½
Victory Silver	..	....	29½	28	28	30	48100	30½	20½
Vickers	..	....	7½	6½	6½	7	14000	20½	4
Vipond Cons.	..	....	1.29	1.20	1.27	1.21	41360	1.42	1.20
Wakenda	..	....	2½	2½	2½	2½	2500	3½	1½
Wasapika	..	....	2	2	2	3	500	3½	1½
West Tree	..	....	4	3½	3½	3½	9800	5	3
Wettlaufer	..	....	6½	6	6	6½	20800	16	4½
Wright-Har.	20	4.21	4.80	4.75	4.75	4.80	1400	4.95	4.15
Oil Companies									
B.A. Oil	2+2	6.25	40½	40½	40½	40½	1144	41½	37
Imperial	25c.	8.33	31½	30	30	31	1045	34½	30
Inter. Pet.	25c	....	27½	26	26	27½	290	28½	23½
North Star, com.	..	....	1.50	1.50	1.50	1.50	530	1.60	1.00
North Star, pref.	7	8.49	4.20	4.10	4.12	4.00	1500	4.25	3.90
Continental	25c.	....	29	27½	27½	29	240	29	26
Vac. Gas	..	....	5	4½	5	5	3000	5½	3½

F. N. BURT COMPANY
Limited
ANNUAL REPORT
Year Ending December 31st, 1924

The Directors present to the Shareholders their Sixteenth Annual Report with the accompanying Statement of Assets and Liabilities as of December 31st, 1924:

Balance brought forward from 1923	$1,060,302.09	
Less Federal Taxes on 1923 Earnings paid in 1924	44,436.88	
	$1,015,865.21	
Profits for the year	574,657.29	
		$1,590,522.50
Deduct:		
Transferred to Reserve for Depreciation	$ 208,584.98	
Written off Patents	24,996.23	
Dividends on Preference Stock at the rate of 7 per cent. per annum	24,930.50	
Dividends on Common Stock at the rate of 10 per cent. per annum	236,905.00	
		495,416.71
Balance carried forward to 1925		$1,095,105.79

The volume of goods shipped in 1924 showed an increase over 1923. New lines of product were further developed during the year with marked success.

The Profit and Loss balance is subject to deduction of Federal Income taxes on the year's profits and adjustments in previous years' taxes, which are still undetermined.

Transfers have been made as usual to the Reserve for Depreciation at the rates of 2½ per cent. on Buildings and 10 per cent. and 12 per cent. on Plant, Machinery, etc. A considerable part of the plant is now depreciated 100 per cent.

Since the Company was incorporated in its present form in September, 1909, sixty-one consecutive quarterly dividends at the rate of 7 per cent. per annum, totalling in amount $1,490,865.41, have been paid on the Company's Preference shares. At the same time sixty consecutive quarterly dividends varying in rate from 4 per cent. to 10 per cent., and an extra dividend of 10 per cent., totalling in all $1,625,146.75, were distributed to holders of common shares.

The outlook for the future continues promising.

The Directors have pleasure in expressing again their appreciation of the loyal and able service of the Officers and Employees in all departments of the Company.

By order of the Board,
S. J. MOORE,
President.

Statement of Assets and Liabilities
DECEMBER 31st, 1924

ASSETS

Real Estate and Buildings	$ 901,223.30	
Plant, Machinery and Equipment	1,879,834.84	
Investments in other Companies	262,536.31	
Patents and Goodwill	769,002.81	
		$3,812,597.26
Merchandise	$ 753,047.70	
Prepaid Expenses	104,606.73	
Accounts and Bills Receivable	467,780.30	
Cash	227,767.16	
		$1,553,201.89
		$5,365,799.15

LIABILITIES

Capital Stock Issued:			
7 per cent. Cumulative Preference Stock		$ 342,500.00	
Common Stock		2,382,700.00	
			$2,725,200.00
Dividends Payable Jan. 2, 1925:			
On Preference Stock	$6,034.00		
On Common Stock	59,510.00		
		$ 65,544.00	
Accounts Payable		171,226.59	
			236,770.59
Mortgages on Properties Purchased			38,000.00
Reserve for Depreciation			1,270,722.77
Profit and Loss Account (subject to Federal Taxes)			1,095,105.79
			$5,365,799.15

At the Sixteenth Annual Meeting of Shareholders held on March 10th, 1925, the President, Mr. S. J. Moore, reviewed at length the Company's operations of the past year.

The Board of Directors was re-elected as follows: S. J. Moore, A. E. Ames, F. N. Burt, James Ryrie, Alfred Jephcott, William Findlay, H. S. Duell, C. W. Colby and M. R. Cass.

The Officers were re-elected as follows: S. J. Moore, President; A. E. Ames and F. N. Burt, Vice-Presidents; E. G. Baker, Secretary; and W. N. McLeod, Assistant Secretary.

Dominion Textile Company
LIMITED

Manufacturers of
COTTON FABRIC

MONTREAL TORONTO WINNIPEG

The Wabasso Cotton
Company, Limited

THREE RIVERS, P. Q.

Manufacturers of Fine White Cotton,
also Spinner's Fine Counts of Yarns

DOMINION BRIDGE CO.
LIMITED
Montreal, P.Q.

ENGINEERS, MANUFACTURERS AND
ERECTORS OF STEEL STRUCTURES

HEAD OFFICE AND WORKS:
Lachine Locks, P.Q.
P.O. Address, Montreal, P.Q.

BRANCH OFFICE AND
WORKS:
Toronto, Ottawa, and Winnipeg.

Sales Offices: Montreal, Ottawa, Toronto, Winnipeg, Regina,
Edmonton, Vancouver.

Atlantic Sugar Refineries
LIMITED

General Offices:
211 McGILL STREET
MONTREAL

Refineries - St. John, N.B.

BEST THAT'S MADE IN EVERY GRADE
SEAMAN KENT COMPANY LIMITED
Largest Producers of Hardwood Flooring in the British Empire
WALLACE AVE. - TORONTO - PHONE JUNCTION 1460
Factories: Meaford West Lorne and Renfrew Ont
Warehouses: Toronto. Montreal. Winnipeg. and Edmonton

Hardwood Flooring in
Beech, Birch, Maple and Oak
Hardwood Lumber
Floor Finishes

SEAMAN-KENT HARDWOOD FLOORING

Canadian Paperboard Company Limited
Largest Manufacturers of Paperboard in Canada.
Mills at Montreal, P.Q., Campbellford, Ont., Frankford, Ont.
HEAD OFFICE: 2 Seigneurs Street MONTREAL

Woods Manufacturing
Company, Limited

Jute and
Cotton Bags
Hessians, Buckrams
Paddings and
Twine

Tents
Flags
Tarpaulins
Clothing and
Cotton Fabrics

FACTORIES AT
MONTREAL, TORONTO, OTTAWA
WINNIPEG, WELLAND

HEAD OFFICE:
MONTREAL

Public Utilities

D.U.R. IN HANDS OF RECEIVER; IS TO PROTECT INTEREST

Could Not Effect Financing Owing to Low Earnings

Detroit United Railway has been placed in the hands of a receiver. Meeting of the directors to consider receivership had been called by Pres. E. G. Stevenson before his death. The move was made by the company for the protection of its own interests and those of its creditors. Business conditions in the districts served by the lines are blamed for its financial troubles, but no mention is made of the motor lines that have lately cut heavily into the D. U. R. revenue.

The Yellow Coach Co., which filed the receivership petition, claimed that the defendant owed the petitioner $3,000 and upward.

The official statement issued to shareholders follows:

You will have learned from the report for the year 1924, a copy of which was mailed to every shareholder, that the current financial position of the company was very unsatisfactory and that, as stated therein, some further financing would require to be done in order to reimburse the treasury for expenditures which had to be incurred for purposes mentioned in the report. The depression in business in the territory served by your lines still continues, especially in the automobile industry, indeed the situation as affecting your company has grown worse, and in consequence its revenue, particularly from passenger traffic, has been and is much less than was anticipated. While some important economies in the operating expenses have already been effected, they do not yet offset the decrease in revenue and the net results are far from expectations.

In consequence of this and of other circumstances, it has been found impossible to effect certain temporary financing, which it was hoped could have been arranged pending further financing of a more permanent character, and your directors have decided that it was in the best interests of the shareholders to let the court take custody of the property, assets and business for the preservation thereof and protection of the interests of the shareholders, creditors and all concerned, until it was possible to submit to the shareholders a plan under which the necessary funds might be obtained to place the company in such a financial position that complete control of their property can be resumed by them.

Your directors have under consideration a plan having this object in view and they will submit it for the consideration of the shareholders as soon as possible.

It may be added that it is not to be inferred that the placing of the property in the custody of the court indicates any contemplated default in the regular payment of interest on any bonds or of sinking fund under any mortgage, and the receivers have been directed by the court to make all such payments on behalf of the directors.

Security Trust, Detroit, and J. W. Simard, vice-president, Municipal Debenture Corp., Montreal, are the receivers.

The break in shares of Detroit United Railway which sold at a new low of 15, was associated with the death of the president of the company, Elliott G. Stevenson. The position of the stock has been weak for some time and was somewhat aggravated by the recent poor showing in the annual report. The death of Mr. Stevenson is regarded as serious by some as it may mean serious changes in the policy which had been laid down and which it was hoped would ultimately bring the company back to some semblance of its former self.

TWIN CITY VALUATION IS NOW COMPLETE

Commission Has Not as Yet Fixed Fare Company Can Charge

The valuation of Twin City holdings, long awaited, has been handed down. The return which the company shall receive has not been decided upon as yet, however. The commission, setting the valuation fix the value of the company's properties in Minneapolis, as of Dec. 31, 1924, at $25,346,080, and in St. Paul $15,998,894, making a total of $41,344,929. No intimation is given in the report as to probable changes in the street car fare in either city, as findings are merely preliminary to fixing fares as originally requested by the company in petitions filed in 1921.

At the request of the city, the county district court has issued an order requiring the railroad commission to show cause why it should not make a return of its findings to court.

Twin City officials declare that the 6 cent fare is inadequate, and should this be maintained on the fixed valuation, the company would not gain much by the decision. Should the State Railway Commission decide later that the company is entitled to earn 7 or 7½ per cent., then prospects are bright for shareholders.

The commission which placed the valuation on Twin City properties has now suggested that representatives of the cities and company get together and see if they cannot come to some amicable arrangement as to the rate of fares that will apply. In some circles it is felt that the first point that should be decided would be the rate of earnings which the company is allowed to make on its investment. Both the cities and the companies may take the valuation findings into the courts, but if the Duluth-Superior and other cases give any indication of the outcome, there are indications that changes favorable to the company may be made as regards the inclusion of waterpower developments and other property in the valuation, as well as the going concern value, and work capital phases of the finding. Montreal interests, deeply concerned, feel that unless the regular course of precedure is departed from, the situation is now removed from the municipal political arena. It seems quite likely that the company will carry the award into the counts when the proper stage has been reached. On announcement of the award the stock moved up a couple of points to 67, but later sagged back to 64-65.

Winnipeg Electric Had Better Railway Profits

Winnipeg Electric's street railway net earnings in January increased $6,332 in January as compared with 1924. Gross fell off $6,850, but operating costs were pared $12,691. The figures:

	1925	1924
Gross earnings	$315,662.52	$322,513.02
Operating cost	219,099.58	231,791.08
Net earnings	96,562.94	90,721.94
Taxes	22,897.53	23,290.03
Depreciation	10,095.67	10,194.57
	63,569.74	57,237.34
Improvements	11,925.37	12,583.84

Winnipeg Electric successfully carried out its customer ownership campaign with the assistance of some 1,700 employees. 2,000 shares of preferred have been sold to customers of the company.

SHAWINIGAN POWER UNINJURED

MONTREAL.—Reports from Shawinigan Falls, Que., indicate that the town suffered considerable damage in the earthquake, but officials of Shawinigan Water and Power Company state their plants and properties escaped without damage.

BUYS NEW POWER PLANT

MONTREAL.—Ottawa-Montreal Power Co. announces the acquisition of the hydro-electric plant formerly owned by the J. C. Wilson Co. and situated on the North River at St. Jerome. It develops under a 75 foot head of water, 1,700 h.p. Transfer of the property includes a transmission line to Lachute and the Ottawa-Montreal have contracted to supply the former owners with 500 h.p.

MONTREAL TRAM DEBENTURES

It is noted that the Montreal Tramways Co. has advised holders of its 5 per cent. debenture stock of the payment of half-yearly interest on this security on April 1. After March 17, when the books close, this stock will not be traded in on the Montreal Stock Exchange. The disappearance of this stock and the Montreal Tramways and Power bonds in the local market will be compensated for by the $17,000,000 issue of general mortgage bonds.

CANADIAN SALT HAS FAIR GOOD RESULTS

Annual Statement Shows Earnings on Common Shares Were 10.8 P.C.

From Our Own Correspondent.

MONTREAL.—A small increase in operating profits with a small decrease in net profits marked the annual financial statement of the Canadian Salt Co. for 1924. Net profits were $126,958, equal to 10.5 per cent. on the capital stock and which are $3,000 less than net profits of the preceding year. Total operating profit, though, is up to $302,984, an increase of about $3,000. An improvement of over $60,000 in the working capital position of the company is shown in the current report, excess of current assets over current liabilities standing at $516,778, as compared with $443,758 in the previous statement. Among the assets cash is shown higher by over $125,000, accounts receivable are up by over $50,000 and inventories lower by nearly $100,000.

The working capital position for the past three years is shown in the following:

The profit and loss accounts for the past three years compare as follows:

	1924	1923	1922
Oper. profit	$302,984	$299,816	$284,915
Bond int.	70,970	63,205	55,928
Balance	$232,014	$236,611	$228,987
xBond disc. ...	3,546	3,940	3,700
Balance	$228,468	$232,671	$225,287
Bd. issue exp...	....	....	535
Balance	$228,468	$232,671	$224,752
xPatent rights .	2,300	2,585	2,570
Balance	$226,168	$230,086	$222,182
Deprec.	83,376	44,947	40,406
Balance	$142,792	$185,139	$181,776
Sink. Fd. Res...	....	10,000	10,000
Balance	$142,792	$175,139	$171,776
Income tax	....	....	13,634
Balance	$142,792	$175,139	$158,142
Tax res.	15,834	15,061	18,500
Balance	$126,958	$160,078	$139,642
Bad debt res...	....	....	2,000
Balance	$126,958	$169,078	$137,642
xBleach chamb.	....	30,000	......
Net profit	$126,958	$130,078	$137,642
Dividends	96,000	96,000	96,000
Surplus	$ 30,958	$ 34,078	$ 41,642
Prev. bal.	283,901	249,823	208,182
P. & L. bal.....	$314,859	$283,901	$249,824

x—Written off.

	1924	1923	1922
Curr. assets ...	$697,579	$610,711	$630,766
Curr. liabs. ...	180,801	166,953	155,815
Work cap.	$516,778	$443,758	$474,95[illegible]

Sir Thomas Tait, the president, said that prices for salt throughout Canada were on the whole appreciably lower than in the preceding year. Towards the end of 1923 prices of caustic soda, bleaching powder and liquid chlorine had to be reduced owing to low prices then current in the United States as the result of competitive price cutting there which affected the Canadian market and in order to retain the business, a number of contracts which expired at or about the end of that year and during the early part of 1924, had to be rewritten at considerably lower prices. The directors anticipate an increase in business and a lowered cost of production in 1925.

Possible Increase in Sales of Paint Companies

From Our Own Correspondent.

MONTREAL.—What may be of interest to those who hold securities of paint or varnish companies is the fact that one of the guarantee companies here has worked out and will shortly put into effect a plan which will enable the householder or the painting contractor to finance any painting job. Those wishing to paint will pay the contractor 20 per cent. of the total cost of the job. The guarantee company will pay the contractor the remaining 80 per cent. and will accept the note from the owner for the balance. The repayment will be made in ten monthly instalments.

It is said that by this means, the sales of paint in the United States have been greatly augmented.

ONTARIO LEADS MEAT SHIPPERS

Ontario was the largest shipper of meats of the provinces of the Dominion in 1923, shipping in all 210,337,918 pounds. Of this amount 90,791,873 pounds were exported to Great Britain and 21,778,554 pounds to other countries. Manitoba was next in the shipping of meats with 45,591,190 pounds and Quebec third with 29,812,419 pounds.

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HOWARD SMITH ANNUAL

MONTREAL.—The annual general meeting of the Howard Smith Paper Mills this week was purely routine and present directors and officers were re-elected.

Pulp and Paper

43% OF REVENUES ALGONQUIN PAPER SPENT IN CANADA

The Remainder Goes to United States—Pulpwood Bought Here

From Our Own Correspondent.

MONTREAL.—The mill built in New York state by the Algonquin Paper Corporation has figured largely in recent discussions of the proposed curtailment of exports of pulpwood from Canada. It has been pointed out that the mill, which was built only a few years ago, uses Canadian pulpwood and it is argued then that if there had been an embargo on pulpwood the mill would have been built in Canada. The opponents of the embargo state that the mill was built in New York because cheaper power was available there than in Canada; that Canadian power interests refused as low a price to the promoters of this mill as was offered by an American power company that obtains its power from the same group in Canada.

Between the two views, a third explanation is offered by Ogdensburg sources. It is stated that the location of the Algonquin Paper Mill at Ogdensburg, N. Y., was not due to any question whether the plant could be more advantageously located in the states than in any Canadian town offering the same opportunities.

There was in Ogdensburg an operating groundwood plant, with a long term power contact; stone buildings well adapted for installing a paper machine; established relations with the Geo. Hall Coal & Shipping Corporation of Montreal, as to pulpwood supply; and St. Lawrence River transportation. These features existing at the time combined to make possible economical development of a newsprint mill at Ogdensburg, N. Y.

This indicates that the mill is being operated on Canadian wood. It is understood that the wood supply for the Algonquin mill is purchased on a long-time contract from the Geo. Hall Coal & Shipping Corp., of Montreal, Que., and is cut from their freehold lands, which they purchased many years ago on the lower St. Lawrence. Since that time the Hall Company have purchased the Mount Louis Seignory on the coast of Gaspe, and at the present time are developing the rivers, holding grounds, harbor and docks for loading this pulpwood and transporting to Ogdensburg in their own lake boats. At the present time this is one of the largest Canadian-owned lake fleets in Canada. The wood is cut with Canadian labor, transported in Canadian boats to Ogdensburg and costs the mill approximately $18 to $19 per cord, peeled wood, delivered. **This much goes to Canadian enterprise. In developing the Mount Louis Seignory** property the Hall companies are expending more than one million dollars.

It is declared that the Mount Louis property could not have been developed as paper mill property, as there was not sufficient power at this site or in the vicinity, but the development now being done by the Hall companies has converted a small fishing community into a thriving village. This is the argument for the exportation of the wood.

Canada, of course, gets considerable revenue from this wood, including the revenue from the wood and the revenue from the shipping of the wood. In addition to this the company purchases all the sulphite pulp it uses from Canada. THE FINANCIAL POST is informed that the exact expenditures of the company in Canada last year were as follows:

Value of pulpwood imported from Canada	$349,000
Value of sulphite pulp imported from Canada	$440,000
Total	$789,000

This amount was paid to Canadian enterprise, which entered into a product sold at f.o.b. prices which totalled for the year $1,841,000. In other words, 43 per cent. of the net income was spent in Canada.

The Question of Power Cost

On the question of power exact information is not available from authoritative sources, except that it is learned that power is purchased from the St. Lawrence County Utilities, Inc., a New York State corporation, who have several large hydro-electric developments on the Racquette River, New York State. The major portion of the power is second-class power, and is only available at certain seasons of the year. On account of the irregularity of this power it is not as cheap as the continuous power supplied to the Quebec mills.

This makes comparison between the Canadian and United States power costs difficult. Generally speaking there is no doubt that much Canadian power is now being sold at low cost in the United States by power plants that have found a market for their reserve power there at low price just as manufacturers dump goods in foreign markets in order to reduce home production costs. Advocates of an embargo on power exports argue that this procedure is unsound and unduly handicaps Canadian industry in that it makes possible the development in the United States of industries that compete against Canada.

Judicial Sale of Assets of Whalen

VANCOUVER.—A. P. Douglas, solicitor for the Montreal Trust Co., trustee for the bond holders, has filed a notice of motion with the courts for judgment and for an order that all the undertakings, properties and assets of Whalen Pulp and Paper Co. be put up for judicial sale. The motion is returnable Tuesday, March 10.

Filed with the notice is an affidavit from E. M. Mills, receiver for the company, which estimates the value of the present assets, and states in several instances that the concern is not economically balanced and cannot be made to pay without a reorganization.

The entire assets of the company, including pulp leases, plants, logging equipment and everything, are estimated by the receiver to be worth $7,829,500, against the indebtedness, as shown in the receiver's affidavit liabilities, of $10,153,088.

Expect Many Benefits From Deal on Riordon

Ottawa and Hull expect big things from the plans of International Paper for development of the Riordon and the Gatineau properties, and for the building of a large newsprint mill at Chelsea, about 12 miles from here, on the Quebec side of the river. It is thought that the new mill will cost probably between $3,000,000 and $4,000,000. Additional importance is attached to the announcement, for it means the development of valuable water powers on the Gatineau near Chelsea, where it is thought that 70,000 horsepower may be secured.

BONDHOLDERS OF RIORDON WILL SELL HOLDINGS

New Securities in International Paper Will Be Issued to Them

From Our Own Correspondent.

MONTREAL.—The bondholders are the present owners of the assets of the Riordon Co., which they purchased at the liquidators' sale. Each group of bondholders generally purchased those assets on which they held the mortgage. As soon as these bondholders and the shareholders of the International Paper Company approve the present deal, the bondholders will turn over their holdings to the Canadian International Paper, owned by International Paper. In exchange for their holdings the bondholders will receive securities of the International Paper. Because of the involved nature of the deal, there is some obscurity as to just what the bondholders will receive. Three distinct issues of bond will be affected. Riordon Pulp and Paper issue of $1,828,800 debentures, really a bond issue, but sold in Britain where the word bond has a different meaning than in this country. Since the liquidation, interest on these bonds has been met by the holders of the 6 per cent. general mortgage bonds who were forced to do this in order to retain their equity. This issue of $1,828,800 will continue to be a first charge on the properties when they are taken over by the new company and the holder of this issue will have interest and principal met by the Canadian International Paper.

The second group are those holding $4,000,000, 6 per cent. general mortgage bonds. They will receive three shares of 7 per cent. cumulative preferred stock of International Paper and a warrant which will entitle them to subscribe for 7 additional shares of this stock upon the payment of $500. Should the holder not desire to take advantage of this second portion of the offer, he may sell his rights to these additional shares.

The third group, more fortunate than the second group, are holders of the 8 per cent. issue, $5.930,000 outstanding and the properties which are covered by this mortgage have a better value than those covered by the 6 per cent. general mortgage issue. Because of the high values which this 8 per cent. issue covers, and among them is the Kipawa property, bondholders of the 8 per cent. issue will receive new 6 per cent., 30 year sinking fund mortgage bonds of International Paper Company, and in addition, receive two shares of 7 per cent. cumulative preferred stock of International Paper.

The Cost to International

Those who glance but superficially at the deal might possibly express the thought that the International Paper Company were picking up assets worth, say $25,000,000 for approximately $10,000,000. This is not borne out by the figures, which show that in stock, and in cash paid out the International Paper Company are paying $26,210,895 for what once was Riordon.

The following figures show the cost of acquisition:

$1,828,800 debentures	$6,912,250
Loans, floating debt, lines, etc.	7,859,933
Preferred stock	5,369,950
8 per cent. bonds	6,068,762
	26,210,895

All securities which are being offered to the Canadian bondholders will be sesured by the whole of the assets of International Paper Company.

The present holders of 6 per cent. Riordon bonds will receive at least $300 for every $1,000 bond held, and in addition it is expected that the "rights" which they will obtain to a further 7 shares on payment of $500 will have a market value.

Deal to be Ratified

The deal is to be ratified at a meeting of the shareholders of the International Paper to be held March 24. In all, some 9,500 square miles of timber lands, water powers, paper mills, etc., will change hands. The president of International, A. R. Graustein, said that on completion of the new Canadian development program, the company would be able to produce 1,000 tons of newsprint a day from the Canadian mills alone. The newsprint plans are likely to be deferred until the present surplus of newsprint supply in Canada and the United States is absorbed.

It is estimated that after the completion of all these transactions the consolidated statement of the International Paper Company and subsidiaries, including the Riordon, Gatineau and Ticonderoga properties will show approximately $35,900,000 current assets against approximately $3.900,000 accounts payable with no bank debts, or net working capital of about $32,000,000.

Fraser Companies Paper Mill Plans Near Ready

In a few weeks a start will be made on construction of Fraser Companies new paper mill at Madawaska, Me., across St. John River from Edmundston, N.B. It is said that there has been a little delay in completing plans, due to the fact that some of the most necessary rights in connection with the project have not yet been obtained. These include permission to use the International bridge here as the means for supporting the projected steel pipes which are to be used to convey pulp from the mill to the new paper mill on the United States side of the St. John River. It is understood that the paper mill project involves an expenditure of $2,500,000, although no official figures have been made public. By manufacturing their output into paper, instead of selling the pulp, the Fraser experts have told them they can increase their profits $15 per ton. Included in the project is an extensive housing program, said to include construction of houses at Madawaska, Me., which will cost at least $200,000. Lumber for the housing program will be provided from the Fraser mills in New Brunswick and Quebec. The site for the housing features of the project has already been purchased, in fact, all the necessary lands have been bought.

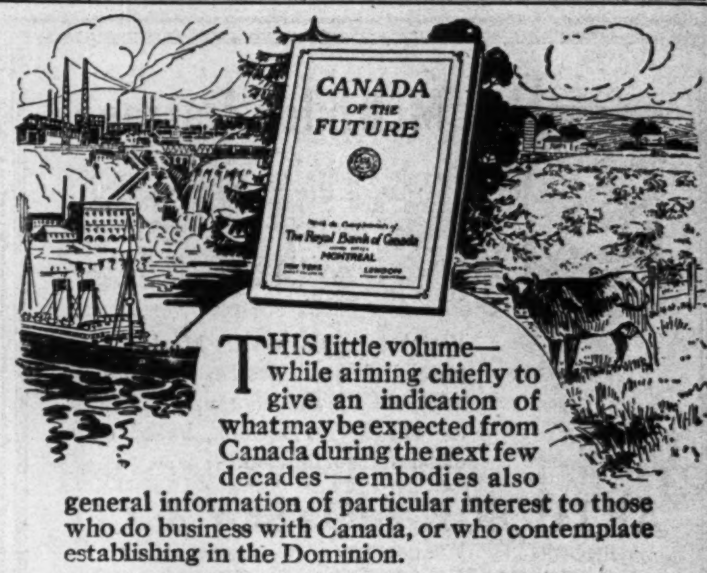
NEW FINANCE PLAN FOR McARTHUR PLANT

People of Manitoba to be Asked to Put up Million Dollars

WINNIPEG.—Mayor Webb has appointed a committee to consider the feasibility of the construction of a pulp and paper mill by the McArthur interests and of raising a million dollars toward its construction by the sale of preferred stock to the people of this city and province. The mayor told some 250 business men that he believed all the people of Winnipeg were desirous of having a pulp and paper mill established.

Bruce Thompson, associated with J. D. McArthur in the McArthur Pulp and Paper Co., briefly outlined the present position and also touched upon Mr. McArthur's 46 years in Winnipeg. There were, he said, three different projects in any complete pulp and paper making plant; a ground mill, a sulphite mill and a paper mill. It was not necessary to commence with the entire structure, but it was feasible to begin with a ground mill for the manufacture of pulp, adding to the plant as opportunity offered.

He urged that the people of Manitoba should gather enough money to put up for a start a 100-ton pulp mill. To do this it was necessary that $1,000,000 should be subscribed and with this subscribed it would be possible to finance the balance of the undertaking from other sources. The plant to be erected would be a unit of the larger undertaking which would follow naturally in due course. He thought it should not be difficult to finance such a project to the extent of a million dollars when it was considered how people in Manitoba had subscribed to finance schemes which were quite impracticable. His definite proposition was that an issue of preferred stock should be made with a bonus of one share of common stock, no par value for each $100 share of preferred stock. That the money should be paid over to a trust company and that if less than the required amount were raised the subscriptions should be returned.



THIS little volume—while aiming chiefly to give an indication of what may be expected from Canada during the next few decades—embodies also general information of particular interest to those who do business with Canada, or who contemplate establishing in the Dominion.

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Bathurst Company Will Find Export News Market

FREDERICTON.—Bathurst Company plans to enlarge its newsprint mill to the two-machine capacity originally planned. Angus McLean, the president, stated here that the Bathurst Company's newsprint paper mill, the only one in the Maritime Provinces, would probably soon have another paper machine in operation. Their capacity at the present time is 65 tons per day and they are operating continuously. Mr. McLean said that he hoped the local market in the Maritime Provinces would soon keep the present equipment working to capacity and said that enquiries which were coming from Australia and other export markets would provide business for the new machine it was expected to instal.

The Problem of Inter-Provincial Trade

IN a recent editorial on "Transportation Problems" the Toronto "Globe" arrived at this conclusion:—

"The high tariff wall of the United States renders it necessary for our products to be shipped by long and expensive east and west routes. It is clear that the cost must be paid, either in the form of freight rates or by the taxpayers of Canada generally, or both. The problem of facilitating inter-Provincial and Inter-Imperial transportation of products is the most important of all those now confronting the people of Canada and their representatives."

Not only does this problem confront "the people of Canada and their representatives", but it is one which has occupied the serious attention of Canadian Pacific traffic authorities from the beginning of the operation of the road.

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Canadian Pacific policies have developed Canada's western prairies from a wilderness to one of the world's greatest areas of production—a production which will go on increasing in proportion to the number of settlers who will come in to till the soil.

In this problem, as in every question of transportation in Canada, the interests of the Canadian public and those of the Canadian Pacific are one.

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NEW LISKEARD - ONTARIO

Argonaut's Mill Has Re-Commenced Operation

From Our Own Correspondent

MONTREAL.—Argonaut's mill reopened at the beginning of this week, J. H. Rainville, the president, told THE FINANCIAL POST. During the period in which it was closed it was completely overhauled and important improvements made. It will handle between 100 and 120 tons per day. There are nine drills in operation at present, but within the next three weeks this number will be increased to 13 or 14. The air for the additional drills is being used by the pumps and by an air hoist on the winze on the 500-foot level; both the pumps and the hoist are being changed over to electric operation.

The power is now being supplied to the company by Northern Ontario Power in place of the old supply which was purchased from Associated Goldfields.

SHIPPING BONANZA ORE STILL

Lessees at the IIXL mine at Rossland, B. C., have shipped a carload of 48 tons of bonanza ore to Trail. The grade of the ore is said to equal any that has been taken from the mine.

News of the Mines for the Investor

SPECULATORS HAVE DOMINATED MINING MARKET OF LATE

General Public Not Heavily Interested — Little Real Buying

The speculative element has been more or less in control of the mining market. It has been what some are pleased to call a "scalper's market." In other words, it has been dominated by speculators willing to take two or three points profit. The investors, that is the general public, does not seem to be strongly with the market and this in a great measure accounts for the weakness that is apparent in face of the steady excellent development news that is filtering down about various properties.

The speculators are focusing their attention on the silver issues and for the most part on the cheaper stocks. In this class it will be noticed that each in its turn has come to the front, had its play and then stepped back to make room for the next. Lorrain Consolidated is the latest to have its turn. This has been expected for some time and when the news came out of the recent find, there were many who were skeptical because of their previous knowledge. The writer was one of those, but the assurance is given that the find is quite tangible and totally unexpected good fortune.

McKinley-Darragh has stood up well as a result of the recent development. There are those who are predicting big things from the operation of the Princess property of La Rose which is under lease. The latter stock has also stood up very well.

The most constructive development of the week has been the decision of Castle to redeem the outstanding $200,000 preferred on April 10, at $1 plus accrued interest. This means that this money is now in the treasury. In addition the company has paid off an indebtedness of $53,000 to the old Trethewey Co. This is indicative of a substantial and unexpected earning power on the part of Castle. It clears the decks for the 2,000,000 common shares which now are in line for dividends, which judging from the evidence of earning power already referred to, should not be far off. At 85 the shares are at a new high.

The Dome annual report evidently occasioned a little disappointment although the position of the company as revealed by the annual report has bee npretty well forecast by the reports issued from time to time. The shares weakened somewhat. However, this might be said of most of the other large producers, as Hollinger and McIntyre are somewhat off color also as will be seen from the mining table. Lake Shore is about the same while Wright-Hargreaves is a little weaker. Vipond has strengthened up again while Keeley has been somewhat weak. These two facts are coupled as it is suspected that the weakness in one is due to sales to switch into the other with English holders making the deal. This was true of a good deal of the previous activity in these shares. Clifton is holding firm. Tough Oakes has been a little stronger on reported goods news from the property. Teck-Hughes is higher though no important news has come out. Keora has continued in the limelight. There has been some skepticism as to whether the company had secured such ore on the Calcite Lake property as stated, but considerable of the high grade brought to the city seems to have appeased the unbelievers.

LaRose Mines Show Net Loss on 1924 Operation

The financial statement of the La Rose Mines, Ltd., for the year ending Dec. 31, 1924, shows a net loss of $71,708, which compares with $32,133 in the previous year. This leaves a balance in the surplus account of $101,871, as against $173,582 carried forward from the year 1923. Shipments of ore amounted to $79,008, as compared with $163,630 a year ago. Gross value of ore produced totalled $53,718 and this compares with $174,047 in 1923. Cost of mining and other expenses amounted to $137,355.

President McGibbon says of the January find at the 800-ft. level: "This discovery was made in the course of sinking a winze found at a depth of 800 feet. The sinking of the winze was continued in commercial ore down to the 800 level, where further high grade ore was located. At this level a drift of 45 feet was made toward the southeast and showed high grade ore and good mill rock to exist both in the roof and floor for the full length of the drift. In order to prove the vertical extent of the ore body the winze is now being sunk further and at a depth of 25 feet below the 830 foot level still continues in high-grade ore and mill rock. The indications are that an ore body of considerable extent and values exists in this section of the property.

"Workings at other points on the Violet property have entered favorable geological formation, and the prospects of locating commercial ore bodies are considered very good. Regular shipments of ore have been resumed."

MINE CUTS CAPITALIZATION

Slocan Consolidated Silver Mines, of B. C., has cut its capital from $300,000 to $200,000. Besides developing the McAllister mine on half shares with Standard Silver Lead Mining Co., Slocan Silver is reopening the Wellington mine, which adjoins Whitewater at Retallack. A considerable body of ore has been developed from the bottom level at the McAllister, and it is expected that shipping will be started in the summer.

OPEN MONTREAL OFFICE

A. E. Moysey & Co., mining brokers, have opened a Montreal office with E. S. Thompson as manager.

Attractive Prices of Lead and Zinc Help Mines

VANCOUVER.—The continued attractive prices for lead and zinc combined with an unusually heavy rainfall during January has permitted the early restarting of work at those mines in West Kootenay that close for the mid-winter months. The Van Roi, at Silverton, which shipped nearly 700 tons of ore during last year, re-opened on February 2. A considerable body of ore has been developed, and it is expected that the mine will continue to ship steadily throughout the year.

Consolidated Mining and Smelting has purchased a group of six claims—namely, the Bluff and the Jack fractions and the Mercury, Jill, Gopher and Lassie claims on Kokana Creek, on the west arm of Kootenay Lake.

A Vancouver syndicate has bonded the Noble Five mine, on the north fork of the Lardeau River, for $250,000. Lessees developed some exceedingly promising bodies of silver-lead ore during last season, and this attracted attention to the property, which is equipped with a good mining plant and mill.

Unbusiness-like Methods Are Solely to Blame

Geo. Bateman, secretary, Ontario Mining Association, got at the meat of London's late troubles with Canadian mining, in speaking at the Mining Institute meeting, when he said: "We have recently had more than one instance of the failure of Canadian mining companies in which English capital is largely involved. This has had a very disturbing effect upon the English investor and has undoubtedly cut off sources of capital for new enterprises. It has also resulted in a great deal of undesirable publicity and much criticism of Canadian mining. If, however, we analyze these cases in the cold light of known facts, it will be seen that Canadian mining is being asked to shoulder the blame for unbusiness-like methods of promotion. It is a question if, in these matters, we are not lending too sympathetic an ear to the criticism of London papers, and if the real facts should not be made known to the English investor. Had the advice of Ontario's minister of mines been followed, to have a careful and thorough investigation of any new enterprise, it is altogether probable that these disasters would not have occurred.

"Harm has, however, been done in these cases, and we must try if possible to forestall any similar instances in the future."

McKinley-Darragh Has Many Chances for Ore

McKinley-Darragh last year made $24,838 profit, compared with $43,594 a year ago. The ore treated during the year had lower silver content, but events in the early months of 1925 have been most encouraging. Net profits per ounce of silver recovered in 1924 were only slightly in excess of three cents, as compared with 5.853 cents per ounce in 1923, and 10.475 cents per ounce in 1922.

Dealing with 1925 development, Mgr. H. B. McCloskey says that the branch of the Princess vein was found 12 feet from the main stope on the 200-ft. level near the Princess boundary line. Very good milling ore, with some high grade, was opened up on the 200-ft. level at a distance of 45 feet. An extension of the values of the second swamp vein from 250 to the 275-ft. level in the keewatin for a length of 45 feet was encountered, and the manager expresses the opinion that this will no doubt be patchy. An entirely new vein has been picked up on the 300-ft. level, which has been opened up for about 20 feet, showing a very good grade of milling ore, with some high grade. It is stated that this vein should continue to the 300-ft. level, and probably the 400-ft. level, similar to other veins in the same formation. A considerable amount of work remains to be done in prospecting this section between the 150 and 400-ft. levels.

Current assets are $271,301 and liabilities $16,290. Surplus stands at $119,997.

Notes on Mine Progress

DOME

February production of Dome mines was $345,478, as against $351,301 in January and $349,249 for Feb., 1924.

TECK-HUGHES

By July next it is stated, Teck-Hughes may be in a position to double its milling plant. Considerable new machinery is now being installed.

NORANDA

The annual report of Noranda mines is expected any day now. It is expected to show ore reserve of around $12,000,000 on the Horne property and outline to shareholders the directors' plans for mining and treating the ore.

LORRAIN CONS.

Lorrain Consolidated's recent find of high grade ore is reported as holding quite well, although the vein is narrowing down. It was 12 inches wide where first cut, it was officially stated, and averaged 1,000 ounces of silver to the ton.

KEELEY EXPLORATION

During February Keeley Silver Mines produced 125,281 ounces of silver and 13,350 pounds of cobalt. In the western area work is proceeding at the 660-foot horizon with the object of opening up ore corresponding with shoots on the 8th (or 560-foot) level.

NEW SHIPPERS TO TRAIL

New shippers of ore to Trail Smelter are in the late list. Golden Eagle, Nelson, is one of them. Others are: Bell, Beaverdell, and the Crescent, Greenwood, and the Van Roi, Silverton, all shipped zinc for the first time this year, having made lead shipments earlier. The three mines shipping for the first time shipped lead ore.

MINING CORPORATION

Mining Corporation shares are stronger, due partly to the success being achieved in South Lorrain and partly to the fact that the high grade find of McKinley gives a very strong prospective value to mining Corp. property under Cobalt Lake. Rumors of another deal have also led to some buying of Mining Corp. shares.

WRIGHT HARGREAVES

An order-in-council has been passed allowing Wright Hargreaves to keep its books at other than the head office in Ontario and also relieving directors of the penalty provided by the Companies Act as they are removed from the province. Evidently the company plans to keep its books at the Buffalo office. They have been kept at the head office at Bridgeburg, across the river from Buffalo.

NEW DEVELOPMENTS ON DOME INDICATE LARGE ORE BODIES

Annual Report Proves Encouraging and Decidedly Complete

Dome mines in 1924 showed a net profit of $2,254,053. Generous provision was made for depreciation, and along with directors' fees, staff bonus, taxes and dividends left the year short by $252,279, which was withdrawn from surplus.

The report shows a reduction in mining costs of approximately 18½c. per ton, as compared with 1923, and an increase in expenditure on development of approximately 29½c. per ton milled to $1.38. The report is regarded as fairly satisfactory.

Pres. J. S. Bache points out that the net excess of current assets over current liabilities, including the dividend paid on Jan. 20, amounts to $3,489,719, which includes the sum of $2,065,993, which is set apart as a dividend assurance fund. The dividend assurance fund, as at Dec. 31, 1923, was shown at $2,022,053. Mr. Bache comments that the excess of current assets is somewhat greater than at the end of 1923, and he also observes that the company has earned during the year 1924, more than the dividends paid. The company's plant and equipment have been maintained in first-class operating condition and he comments on the fact that the sum of $431,035 has been carried to the reserve for depreciation.

It will be a most difficult matter to find grounds for complaint over lack of information this year, as the report is most complete. It shows where the surplus monies are invested, Canadian issues being well represented, while the report of General Manager H. P. De Pencier, is a model of detail and interesting data. Figures on tonnage and costs follow:

	1924	9 mos. 1923
Tons Treated	493,400	320,700
Recovery	$4,307,721	$3,345,478
Aver. per ton..........	$ 8,780	10,432
Mining cost	761,187	....
Per ton	1,543	2.82
Div. cost	680,847	....
Per ton	1,086	....
Milling	492,888	....
Per ton	0.999	1.13
Total oper. cost per ton	4,578	4.66

The drop in the yield per ton has been largely made up by the increased tonnage milled, which, during 1924, was at a rate of 15.38 per cent. higher than in the preceding nine months.

New Ore Discoveries

Regarding the finding of ore in the greenstone he says the new ore lies in basalt at the contact with a porphyry stringer south of the sediments. The drift for a length of 70 feet gives an average assay of $9.95 over a width of 8½ feet. Stoping above this drift, however, shows that no ore of similar grade extends upward for any considerable distance. It is believed to be the top of an important ore body now being opened up at the 11th level immediately underneath.

The best grade ore shoot found so far outside of the sediments is at the 10th level. This area has been drilled and opened up by a cross cut at the 11th level. These workings have disclosed an ore body in basalt and porphyry 240 feet long. The drift gives an average assay of $20.34 for 180 feet over the width of the drift. It is anticipated that the width to be stoped will considerably exceed this, but that the ore drawn will be about $10 to $12 grade. Drill holes between the 10th and 11th levels show values respectively of $11.90 for 15 feet and $16.50 for 22½ feet at intervals of 50 feet below the 10th level. Holes that have been drilled under 11th level do not locate anything corresponding to this ore body, and Mr. De Pencier concludes that it apparently does not extend far below this level. He comments that the discovery of this shoot is encouraging, and furnishes evidence that good ore can occur in the greenstone. It is located in an area where a number of more or less vertical porphyry stringers project westward from the porphyry into the greenstone, and there is a fair chance that further exploration may locate other similar shoots.

Of the year's tonnage, 453,384 came from stopes, average $9.118 per ton and $38,016 from development, average, $6,643. Mr. De Pencier points out that while a large amount of development work was accomplished, some depletion of reserves took place.

Reserves of broken ore remain at the same figure as a year ago, viz., 550,000 tons. There has probably been some reduction in the gold content due to the drawing of seven level stopes which was necessary to permit breaking down the sills and the completion of mining operations underneath.

Recent discoveries on 11 and 12 levels at the eastern end of the mine, afford hope that, in lower levels, this new ore zone will eventually be found to extend downwards. The diamond drilling accomplished so far has shown that the trough of sediments extends for some hundreds of feet below 13 level, and though not much ore has been intersected yet, much ground remains to be explored.

	1924	9 mos. 1923
Oper. profit	$4,307,720	$3,345,478
Other Res.	204,982	179,382
	4,512,702	3,524,860
Operating cost	2,258,649	1,495,596
Net profit	2,254,053	2,029,264
Taxes	102,960	104,979
Deprec.	431,035	....
Dev. Exp.	33,936	....
Direct Fees	18,751	....
Staff bonus	12,982	....
	$1,654,391	$1,924,285
Dividends	1,906,668	1,668,335
Deficit	252,279	....
Surplus	2,671,657	....
Bal. forward	$2,419,278	....
Current assets	$2,190,728	$2,322,548
Dir. assur.	2,065,993	2,022,054
Current liab.	767,001	918,245
Reserves	535,136	118,010

THE ELEMENT OF LUCK IS GREAT

The four men who each put up $50,000 to develop the Premier mine, Portland Canal, B. C., each received about five times that amount when they sold a three-fifths interest in the mine, and for the last three years they have been annually drawing from three to four times their original outlay in dividends on the two-fifths that they retained. On the other hand Colonel Thompson, who bonded the Premier before them, spent $60,000 in development and lost all of it.

REOPEN LITTLE NIP.

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Vipond Has Opened Up New Shoot for 100 Ft.

Vipond Consolidated in February produced $47,200 in bullion from 4,737 tons milled. The good results obtained during January by diamond drilling below the 1,000-foot level were corroborated and amplified by further similar work during February. Additional work during February on No. 10 vein immediately above the 1,000-foot level, further proved the ore shoot there. This shoot is now one hundred feet long, averaging nine dollars over five feet.

STAKING IN GOUDREAU

Goudreau gold area, on Algoma Central Ry., came into the limelight again when a Toronto syndicate had a large section staked. The total claims recorded were 32.

Current Events in Banking World

PROSPERITY AS A REAL CURE FOR UNSOUND THEORY

Farmers Talk Less About Cheap Money as Prices Rise

By A. B. BARKER,
Manager, Toronto Clearing House.

A period of financial stress is usually prolific in theories for the improvement of the currency or at least for a change, and those who have felt the pinch are naturally inclined to listen to any plan which has for its object an increase in the amount of circulating medium. When the crisis is past, and conditions begin to improve, it is harder for a theorist to attract an audience, and those who do listen are "from Missouri," they want to be shown.

The recent action of the Farmers' Union of Canada, in engaging a statistician to investigate the currency theory of Major Douglas, is a case in point. The plan was urged two years ago, but since then the prices of grain have advanced, the Western financial outlook is more satisfactory and the chances of organizing a successful agitation are, therefore, less. For this reason, it may be that those who are anxious to bring about a radical change of any kind in our financial system have sensed this change in the attitude of the rank and file, and have adopted this method of keeping the question alive until a more convenient season.

As to the value of the report of the statistician, much will depend on the man, as well as on his instructions. He may be engaged to consider all the facts, or simply those which appear to favor the proposal.

Just Inflation

Major Douglas' scheme is to base the currency issues, not on gold, or any specific and tangible standard, but on "Services and Commodities." When he appeared before the Parliamentary Committee in 1923 to explain his scheme, he was encouraged to elaborate, and the farther he got the more nebulous his theory seemed to be, and the general belief was that, reduced to essentials, it meant inflation of the currency pure and simple.

The basic fact on which all money and currency is issued is that its continued use depends entirely on whether the public will accept it in the ordinary course in exchange for goods and services. The use of money and credit in trade has been a process of slow development, and custom and convenience have been the deciding factors. The customs of traders developed this plan, and the theory of its operation followed as an explanation.

In the past there have been numerous attempts to change this order, and some, it is true, have enabled the authors of the attempt to accomplish their immediate object, but in the end the price was always paid in full, with usury. The American Revolutionary Congress issued a currency to finance the struggle and the term "not worth a continental" became part of the national slang. The French assembly, twenty years later, to finance their foreign wars, issued assignats based on the confiscated lands of the church and the exiled nobles. The security was there, but the value of the currency fell steadily in spite of the patriotic enthusiasm of the nation. They were willing to die for their country and its cause, but they would not risk their money on an unsound currency.

In both cases the depreciation was more or less gradual, and the losses were in this way widely distributed on a descending scale. In the end, of course, the final holders were the losers, and in both cases it was the working classes that suffered. In Germany after the last war, the currency was deliberately depreciated to enable certain groups to gain possession of the means of production in the coal and iron industries of that country, and again it was the working classes who paid. It is chiefly the working classes and the farmers who suffer when the currency standard of the country is tampered with.

Making Proper Tests

Conditions change, and methods necessarily change to meet altered conditions. The fuller the information available, therefore, the better, in order that the necessary adjustment may come about with the minimum of disturbance. In manufacturing organizations, departments for research are considered absolutely necessary, but before the results of laboratory experiments are taken as conclusive, shop tests are undertaken. The results of both must be satisfactory before an attempt is made to undertake the new process as a commercial venture. In the army, when a new equipment has passed the theoretical tests, it is tried out under service conditions. A company or regiment will be equipped with the new kit for manoeuvres over an extended period, and detailed reports as to how the equipment stands up compiled. With this data the board of examiners make their decision.

With currency theories, however, no such tests are ever tried, and the plan is advocated by its authors entirely from the theoretical standpoint. And yet there should not be much difficulty in arranging a trial, which would at least have the effect of a laboratory experiment in a factory. Many of the theorists are college professors, and they should be able to arrange experiments with the help of their classes. If the theories were tried out in this way on a reasonable scale, many of the practical weaknesses would be apparent. Also with the competitive spirit introduced, the reactions of the human element would prove most instructive. It is not how one thinks men should act under given circumstances, that counts, but what they really do. As the old proverb put it, "An ounce of practice is better than a pound of theory."

Fake Imperial $100 Bills Are Passed in England

Officials of the Imperial Bank of Canada warn the public that a considerable number of counterfeit notes of its old British American Bank Note Co. issue dated 1st January, 1917, for $100 each are appearing in circulation. It is suspected that a large number have been passed in England. One Canadian bank at Toronto just received quite a number from its agent in London. The serial number was 85,000, which would indicate an extensive business if the counterfeiters have numbered their product all the way up.

The fact of the counterfeit note is black and white with some green, particularly over the "one hundred dollars" appearing above the signatures, and the back is a bright green with the words "Imperial Bank of Canada" appearing in a circle and the numerals "100" in large figures horizontally on either side of the device. The counterfeit is said to be a clever one.

Success on Western Farm Depends on the Farmer

That success in farming in Western Canada depends on the individual rather than on general conditions is the conclusion of a mortgage man who for nearly forty years has had first-hand experience with the agricultural situation in Saskatchewan. In a report to the head office of his company, the Canadian Permanent Mortgage Corporation, he says:

"The situation in Saskatchewan so far as agriculture is concerned, is a peculiar one. I have come to the conclusion that the whole question of success or failure rests with the individual, and I have come to this conclusion because in every district in Saskatchewan, regardless of what conditions have prevailed, I find the successful farmer paying one hundred cents on the dollar, contented and satisfied with his surroundings, applying himself at all times to the task of improving his farm and working out for himself the most profitable methods best suited to his own particular location. There are districts in Saskatchewan that are exclusively grain growing districts and where mixed farming or stock raising cannot be carried on only as a side line and in a very limited way. There are other districts that are only mixed farming districts, where the land is rough broken by hay lands, abundance of water and natural building material easily secured. But as I have said before, there are successful farmers and failures in every district."

BANK BRANCHES

Returns for the month of February show that the Canadian chartered banks opened only two new branches during the month and closed five. Following is a list of the branches opened and closed:

OPENED

Provincial—Huberdeau, P.Q., sub-agency to St. Jerome; St. Leon le Grand, Que., sub-agency to Val-Brillant.

CLOSED

Commerce—Brooksby, Sask.; Moose Jaw, Bank of Hamilton Branch.

Montreal—Instow, Sask.

Royal—Ottawa, Rideau St.; Couva, Trinidad.

The Bank of Toronto reports that its Morriston office is now a sub-agency to Freelton, open two days a week.

Staff Gossip

J. E. McLeod, who for the past two or three years has held the position of teller at the local branch of the Union Bank of Canada, is being transferred to the bank's branch at Strathmore, Alta.—The Enterprise, Blairmore.

* * *

G. L. Nash, local manager of the Canadian Bank of Commerce, has been promoted to the position of assistant inspector of the bank with headquarters at Regina. Mr. Cross, manager of the bank at Battleford, will be transferred to Melfort.—The Moon, Melfort.

IMPERIAL BANK

The Imperial Bank announces the following changes: N. B. Cummins, formerly manager, Edenwold, Sask., has been appointed manager, Hepburn, Sask. S. McCutcheon, formerly teller, Galt, has been appointed accountant, Cochrane, Ont. D. A. Belyea, recently at Winnipeg, is again attached to the assistant general manager's department, Winnipeg. R. F. Brown, formerly accountant at Timmins, appointed assistant accountant at Montreal. F. L. Appleton, recently attached to the assistant general manager's department, Winnipeg, appointed manager at Sylvan Lake, Alta. F. E. Cooper, formerly assistant accountant at Montreal, appointed accountant, Timmins. E. Findlay, formerly of Toronto, appointed to the senior box at Adelaide and Victoria Sts. branch (receiving teller). J. Frisken, manager Sylvan Lake, recently resigned and has left the service. A. E. Gibson, formerly manager College and Shaw Sts., is temporarily attached to Toronto branch staff owing to the closing of the former branch. W. L. Gilliland, formerly assistant supervisor, Winnipeg, has been promoted to the important position of manager at Regina. G. D. Hamilton, formerly of the assistant general manager's department, Winnipeg, now attached to Winnipeg. J. S. Harrison, formerly savings teller at Windsor, transferred to the box at Amherstburg. C. G. T. Harcourt, manager Calgary, promoted to the managership of Port Arthur branch.

Exchange

NEW YORK FUNDS

	High	Low	Last Year High	Last Year Low
Mar. 5	5-32	5-32	3 13-32	3 11-32
Mar. 6	5-32	1- 8	3 15-32	3 7-16
Mar. 7	5-32	1- 8	3 1- 2	3 15-32
Mar. 9	1- 8	1- 8	3 1- 2	3 15-32
Mar. 10	1- 8	1- 8	3 19-32	3 1- 2
Mar. 11	1- 8	1- 8	3 21-32	3 9-16

STERLING, FRANCS AND LIRE

	Sterling Demand	Francs Demand	Lire Dem.
Mar. 5	4.76 13/16	5.10½	4.04¾
Mar. 6	4.76¼	5.19¼	4.08½
Mar. 7	4.76½	5.19½	4.10¼
Mar. 9	4.76⅝	5.11	4.08
Mar. 10	4.77 1/16	5.14¾	4.09¾
Mar. 11	4.77¼	5.14¼	4.09

FREE CURRENCY PROPOSAL MEETS LITTLE SUPPORT

Commons Told That the Banks Not Responsible for Inflation

From Our Own Correspondent

OTTAWA.—The banking and currency reformers are trying hard to get their views before the banking and commerce committee of the House again, and they may succeed. There is no intention on the part of the government to change the Bank Act this session; but it is thought that the best way to deal with the demand for changes is to afford advocates of change a chance to air their views in committee, where often they are effectually answered.

During the discussion on J. S. Woodsworth's resolution to the effect that it is not in the interest of the country that the privilege of issuing currency and controlling financial credit should be granted to private corporations, Hon. J. A. Robb gave some indication of the direction in which his mind is running.

To him the proposal sounded too much like the currency methods followed in Germany, Austria and Russia, after the war; that is to say, it looked too much like the starting of the printing presses to satisfy an unlimited demand for currency. With this view, however, Mr. Woodsworth did not agree. In short, Mr. Robb's advice was: "Let well enough alone; we have made certain changes, let us see how they work."

An interesting side-light to the discussion shows the turn that such a debate sometimes takes. W. N. Campbell had said that the inflation during the past had given rise to unhealthy speculation, and, among other things, had resulted in the starving of too many branch banks.

Mr. Robb came back with the observation that it ill became the member to find fault with branch banks, for another member who sat near him had come to him (the minister) and pleaded that he should request the directorate of one of the banks not to close a certain branch bank in his constituency.

Real Cause of Deflation

Sir Henry Drayton took up the question of inflation and deflation, and ventured the opinion that the banks or governments had not so much to do with these matters as some supposed. He pointed out that inflation had been produced largely through war demands. But the sudden deflation of the price of sugar had not taken place at the instance of the banks, who, doubtless, in many cases, would have been better pleased had the movement been more gradual. Certainly the government had had nothing to do with the sudden deflation of the price of this product. And the same was true of wheat prices.

Sir Henry put the situation well as follows: "'As every hon. gentleman knows, the price of wheat rests, not upon any artificial basis, currency inflation, or anything else that we have here, or that the States has, or that the Mother Country has; it rests upon the purchasing power of the wheat-consuming countries of Europe on the one hand, and the amount of visible supply of wheat on the other."

The government is being strongly pressed to announce its policy on farm credits, and it is quite probable that this will be forthcoming within a month.

The Consolidated Mining and Smelting Co. reports ore receipts at the Trail Smelter for the last week of February amounting to 6,001 tons, and for the year to date 79,241 tons.

Weekly Bank Clearings

(In comparison with the same week last year.)

EASTERN CITIES

	March 6, 1924	March 5, 1925
Halifax	$ 2,708,925	$ 2,960,802
St. John	2,463,548	2,462,375
Moncton	800,120	563,652
Quebec	5,191,997	5,735,754
Sherbrooke	715,436	846,203
Montreal	106,056,756	91,854,008
Ottawa	6,418,652	6,641,872
Kingston	628,946	594,880
Peterboro	808,215	766,241
Hamilton	5,078,536	4,408,079
Brantford	911,330	963,861
Toronto	94,790,936	87,716,158
London	2,740,137	2,542,521
Kitchener	949,882	851,233
Windsor	3,364,399	2,547,661

WESTERN CITIES

	Mar. 6, 1924	Mar. 6, 1925
Ft. William	$ 859,865	$ 706,010
Winnipeg	41,314,304	44,758,649
Brandon	539,073	514,821
Regina	3,201,212	3,120,332
Moose Jaw	1,088,582	1,022,106
Saskatoon	1,590,499	1,389,610
Pr. Albert	385,180	323,065
Lethbridge	633,729	498,806
Calgary	5,864,355	5,821,615
Edmonton	4,362,308	4,717,307
Med. Hat	359,273	356,989
N. Westminster	591,930	621,098
Vancouver	15,600,166	14,275,913
Victoria	2,093,367	1,866,702

BANK CLEARINGS
% Changes from 1924
EASTERN CITIES

	Feb.	Two Months
Halifax	+ 3.9	+ 6.7
Sherbrooke	— 9.4	—12.5
Quebec	— 3.5	+ 9.9
Montreal	—16.6	— 6.0
Ottawa	—11.3	— 3.8
Kingston	+ 1.8	+ 0.8
Peterboro	+12.8	+ 2.1
Toronto	—23.1	—14.5
Hamilton	—13.5	—11.2
Brantford	+ 0.3	— 6.9
London	— 7.7	— 4.1
Kitchener	—15.4	— 9.0
Windsor	+15.9	— 5.5
Moncton	— 6.3	— 9.0

WESTERN CITIES

	Feb.	Two Months
Fort William	— 4.4	—12.1
Winnipeg	+12.2	+14.1
Brandon	+12.4	+11.1
Regina	— 4.3	+ 6.5
Saskatoon	— 9.2	—11.5
Prince Albert	— 8.4	— 3.8
Lethbridge	—15.0	—15.7
Calgary	—20.0	— 7.8
Medicine Hat	—19.6	—22.8
Vancouver	— 2.7	— 1.6
Victoria	—11.8	— 4.1
Moose Jaw	— 0.1	—00.3
Edmonton	+ 7.7	+ 6.3

REFORESTATION PLAN FOR QUEBEC HOUSE

Two Measures for Legislation Deal With Forest and Power Development

From Our Own Correspondent

QUEBEC.—Hon. H. Mercier, Minister of Lands and Forests, will present a measure at the legislature outlining specific plans for reforestation. This will be done so that there will be an opportunity for more paper mills to operate in the province.

Another bill, having to do with the development of hydro electric power, gives rise to the belief that both measures are being introduced partly on account of the newly-acquired holdings of the International Paper.

By taking over the Riordon Paper Company, the International Paper Company is carrying out a much larger operation than appears on first sight. It is understood that the St. Maurice Lumber Company at Three Rivers, Quebec, a subsidiary of the International Paper Company, will form part of the new company.

The Three Rivers' mill, now producing 320 tons of newsprint daily will probably produce 450 tons when two new machines are added. With the acquisition of three Riordon sulphite pulp mills at Kipawa, Hawkesbury and Merritton, and with the Gatineau mills now being utilized, the International Paper Company will establish a large newsprint mill which will make use of the huge Gatineau pulpwood area.

The combined production of the Three Rivers' mill, which will be brought up to its ultimate capacity of 650 tons daily, and the proposed Gatineau mill will be 1,000 tons of newsprint daily, some 300,000 tons per year.

The new mill will not be erected, it is understood, until the large surplus of newsprint now available in the United States and Canada has been absorbed.

REFINANCE SIMPSON CO.; NO CHANGE IN BIG STORE CONTROL

(Continued from page 1)

man of board of directors; chairman of board of directors, the Canadian Bank of Commerce; president, National Trust Co.; Harris H. Fudger, president, director, National Trust Co.; C. L. Burton, vice-president, general manager, Simpson Co. stores; Herbert C. Cox, president, Canada Life Assurance Co., director the Canadian Bank of Commerce; William G. Morrow, director, Imperial Life Assurance Co., managing director, the Toronto Savings and Loan Co.; John E. Goldring, comptroller, Simpson Co.; J. Ellsworth Flavelle, Frank Y. McEachren, Frank Hay, secretary.

The offering price of the new bonds will be 99 and interest, yielding about 6.60 per cent. The principal and interest on the bonds will be payable in principal cities in Eastern and Western Canada as well as in New York or London, England.

The Simpson Co.'s annual report showed net earnings, after depreciation, of $1,491,259 for 1924. Dividends absorbed $536,000, taxes $148,000, bonus, profit sharing fund $200,000, leaving $607,259 surplus, which, added to $3,008,467, the balance forward, leave 1925 surplus at $3,615,727. Current assets stand at $9,083,650, investments $165,887, current liabilities $2,929,912.

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THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

TORONTO, MARCH, 13, 1925

NO TIME FOR SHIP SUBSIDY

THE word from Ottawa indicates that the parliament will think twice before carrying into effect the proposal to subsidize the Petersen line of steamers. And if the decision is to drop the idea there will be a pretty general feeling in the business community that second thoughts are best. The North Atlantic carriers are to be given an opportunity to present their case and the strength of that case is evident from the formal statement which has been issued in reply to Mr. Preston's charges.

What has been puzzling the taxpayers of the country is just where the benefit would accrue from this proposed hand-out. It need hardly be reiterated that the tax burdens are heavy. And the business-like way to get the taxes down is to cut expenditures. How, then, is this to be accomplished by a straight cash contribution of this kind, the benefits—if any—from which can only be indirect? Then, too, there is considerable to be said for the argument that instead of reaping a benefit Canada stands to lose in the long run by undermining the efficiency of the services upon which the country is dependent in getting its products to the world markets. Canada wants cheap, efficient ocean transportation, but it is even more important that it should be efficient than that it should be cheap.

There is no more important public issue before the country than taxation. And, no matter how the politicans may present the situation, business men realize that the only way to get the taxes down is to spend less. It is no time for handing out money in subsidies which may or may not entail indirect benefits, and which must inevitably add to our tax levies.

OVERLAPPING IN CIVIL SERVICE

THE expenditure on the civil service has come in for much consideration during recent days. In spite of many retirements under the Calder Act it is found that the cost of running some departments at Ottawa is continually going up. It has also been disclosed that there has been considerable overlapping.

J. T. Shaw, who has given some time to the subject of the civil service, gave the House some interesting examples of this overlapping, as it existed at least two or three years ago, and there is no evidence that it has been changed.

He pointed out that two years ago dredging was carried on by three departments: Public Works, Marine and Fisheries, and Railways and Canals. Each of these has certain jurisdiction in the St. Lawrence river. The ship channel in that river is dredged by the department of Marine and Fisheries. But from the boundaries of the channel to the boundaries of the river on either side dredging is done by the Public Works department; while the harbors are dredged by the Railways and Canals department.

Mr. Shaw said that he had heard that officials from these three departments had met at Port Nelson in Hudson Bay to do dredging there. The three sets of officials were each armed with authority from their respective departments to do the work, but owing to the refusal on the part of others to let any one party proceed, the work could not be done that year. It was pointed out that this would not be tolerated in a private company, for there the dredging would be placed under one department.

Shaw's suggested remedy for overlapping is a general manager of the civil service; but it is difficult to see that this would remedy matters very much. The trouble is traceable back to the circumstances that, being only part administrators and part politicians, the cabinet ministers have not sufficient time to look after their departments. In the meantime it has come out that there are 22 persons with the rank of deputy minister, drawing salaries ranging from $6,000 to $10,000 a year.

IS PATERNALISM THE CAUSE?

THE report that the city council of Brantford is authorizing $85,000 worth of 20-year debentures for an overdraft in her civic finances creates a situation worthy of attention. That posterity is being asked to help the present generation to pay its expenses, in this way, seems like a rather definite admission that the present generation cannot do so, and assumes that the coming generation will be in a much better position to do so that this. This method of financing can bring no good either to the prestige or to the credit standing of a city. It suggests that the city in one way or another, has been attempting too much, and that a tendency towards paternalism in which Brantford would not be alone, is the probable explanation.

The question arises as to how much this money is going to cost before it is finally paid. Some years ago the city of Hamilton borrowed $1,753,000 in 6 per cent. bonds on account of railway and waterway costs. They were unable to pay the interest. A considerable amount of litigation arose and before the obligation was finally paid off it had grown from $1,753,000 to $7,191,000.

But apart from this phase of the question, the matter of how much a municipality is justified in borrowing, what provision is being made for repayment and what will be the net effect on the credit standing of that municipality, no city can afford to overlook.

HALF BILLION FROM TOURISTS

THE tremendous possibilities of the tourist traffic as a Canadian industry are illustrated by the fact that the centre of population for automobiles in the United States is in close proximity to the Canadian border. According to information compiled by the Canadian Department of the Interior, 6,680,000 automobiles, or 43 per cent. of the total number of pleasure cars owned in the United States, are owned in states bordering on the Great Lakes, while 7,370,000 or 47.5 per cent. are in states contiguous to Canada.

These facts are astounding! They mean that Canada has at her very doors probably 30,000,000 potential tourists, an increasingly large number of whom will visit us annually if we take the proper steps to develop this industry. In the past we have had no definite national policy in this connection. Separate municipalities, principally near the borders, have endeavored to attract tourists and certain organizations have established camps for the convenience of tourists. Apart from these unco-ordinated attempts nothing serious has been done.

It has been estimated by the National Parks Board that the tourist trade brought $136,000,000 into the country in 1923. A press despatch states that the industry was worth more than $200,000,000 to France last year. What we want is our rightful share of the tourist business, and if the figure for France is correct, we should aim at at least three times this amount.

Some of the features which would build up a half-billion dollar tourist industry in Canada are more widespread and business-like advertising in the United States; further development of the present tourist camps; improvement of roads leading to our inland resorts, and the provision of more habitable hotels in many of these places; some method of dealing with profiteers who thrive on overcharging tourists thus discouraging their return.

EDITORIAL NOTES

TORONTO'S street lamps at $8 each for power service are said to be much lower in cost than the lights in some American cities. Considering the illumination they impart, they should be. The comparison should be on the total cost of lighting cities of something like equal size—taking into consideration how well the streets are illuminated; one city may use electric candles and another flaming arcs.

* * *

A LITTLE rough figuring leads to the conclusion that some 3,000 acres of forest land were denuded of trees to tell the public the story of Floyd Collins. And as half of the newsprint paper on the continent comes from Canada it meant that the pulpwood logs from 1,500 acres of Canadian land were needed to let an excited continent know that an unfortunate Kentucky cave explorer was being taken out of a hole in the ground.

* * *

AT THE dinner given by the Canadian Manufacturers' Association for the Canadian Council of Agriculture last week, Mrs. Amos, president of the United Farm Women of Ontario, suggested that the C.M.A. should follow the example of the C.C.A. and admit women to membership. T. A. Russell was more than equal to the occasion. He recalled that when he was secretary of the association one of the first members to join from the prairie provinces was a woman who was endeavoring in the face of many difficulties to operate a woollen mill in a small town south of Calgary.

J. H. Fortier, Born on Quebec Farm, Now a Canadian Leader

Man Slated as Next Head of Canadian Manufacturers' Association is Head of Great Legaré Organization That Blankets Quebec With Agencies — A Newspaper Publisher, Banker and "Fair" Manager as Well

By **FLOYD S. CHALMERS.**

There is a business man in Quebec City who states that he can make a general manager for a big company out of any conscientious, intelligent French-Canadian farm lad you want to give him as raw material. And J. H. Fortier, who says this, ought to know something about it, for that is exactly what he did with himself. He was born and brought up on a farm in County Bellechasse, Quebec. Now, as vice-president and general manager of P. T. Legaré Company, Limited, and subsidiaries he directs the activities of concerns that are doing around $8,000,000 of business every year.

J. H. FORTIER.

He will be fifty this year. As "heir-presumptive" to the throne of chairman of the Canadian Manufacturers' Association he promises to start his second half-century in the glare of nation-wide publicity. Canadians from Nanaimo to Sydney are going to see in action the enthusiastic, energetic managing head of a concern whose catalogue is next to the bible in French-Canada and which has established the rule—and followed it—of planting an agency everywhere a church steeple pokes its cross skywards; a concern that has put farm implements and stoves and a host of other things in nearly every French farm and village home between the western fringe of New Brunswick and the Ottawa Valley of Ontario. English-Canada will come to know, and know favorably, a man who is one of French-Canada's most successful sons.

Brought Up on a Farm

J. H. Fortier came from a farm outside St. Gervais. His father had been trained in military schools and has a broad conception of questions of language and education. In fact all the farmers of that district were progressive and broadminded in the 70's and 80's when young Fortier was growing up. They found that the English and Scotch farmers of the Eastern Townships were breeding better cattle than they were. So some of the English-speaking folks in the Eastern Townships and some French-speaking folks around St. Gervais came to an arrangement for an annual exchange of breeding animals that strengthened the herds in both sections. The arrangement brought its complications for the English knew no French and the French no English. To solve the difficulty the farmers went one step further and every winter effected an exchange of sons. Young French-Canadian men went to work for a few months on the Englishmen's farms and young Englishmen went to work on the French-Canadian farms. Being brought up in such a community of broad-mindedness and with such equally far-seeing parents Fortier started off with the obvious advantage of not being either bigoted or narrow. Today his fair-minded attitude to every subject and task he tackles is one of his chief characteristics.

He did not remain long on the farm. His parents had visions of success for him in the bigger swirl of city life. They sent him to college and then to the commercial academy in Quebec. At eighteen he had learned shorthand and was sent one day by the principal to take a job with P. T. Legaré who had established a small implement agency in the city. He has been working alongside of P. T. Legaré from that day to this—which is a space of 32 years—and has never lived outside of Quebec City.

Father Did Not See Future

Fortier's father advised against the new connection. "The business hasn't a future," said Fortier, pere. "Every farmer has a mower now. Pretty soon, you won't be able to sell any more."

He was wrong. The first year Fortier was there the firm did a business of about $25,000 a year. In 1921 it did $12,000,000 of business.

The office had three workers in it: Legaré, a bookkeeper and Fortier. Fortier worked ahead as stenographer for the firm and studied the possibilities of the business. Some months after he arrived the bookkeeper was sent away to open a branch office. After he had decided on this move Mr. Legaré remarked, in the office one morning, "We'll have to hunt around for a new bookkeeper." Fortier overheard him. He saw his opportunity and said to Mr. Legaré: "Why hunt around for a new bookkeeper? Give me the job."

"Can you handle it?" asked Legaré, somewhat dubious and surprised.

"Of course I can handle it." Young Fortier spoke with decision and emphasis. "And what's more if I don't get it I'll resign. If I am not going to get a chance to advance then I'm in a rut and want to get out."

He got the job. He got it by asking for it and held it by making good, which is the way he has gotten and held many good things since.

At the end of his first year as bookkeeper he presented his report to Mr. Legaré. There was a small balance on the right side of the ledger.

"Fine," said Mr. Legaré, "we are making progress."

"Yes, it's fine," admitted Bookkeeper Fortier, "but we can do much better." Then he made this proposition: "I can make more money for us next year. Will you let me take charge and split with me any increase in profits?"

Began to Run the Business

Mr. Legaré, always a good enough executive to let his men have full sway in any creative work, agreed. From that time on Mr. Fortier was virtually manager of the business. He was soon admitted into partnership and in 1903, when he was 28, was officially appointed general manager of the limited company that was incorporated in that year. But in the meantime he had traveled all over the province, selling for the firm, opening agencies and piling up profits, in which he shared. His share went back into the business.

The little implement agency grew into a mighty concern under his direction, with 25 branch offices, 16 warehouses, over 1,000 agencies and selling implements, autos, stoves, and numerous other articles on a wide scale.

One of the firm's big lines was buggies. The twentieth century hadn't been far on the way before Mr. Fortier saw that the buggy was doomed, which meant the loss of one of the firm's biggest sources of revenue and profit.

The only solution was to go into the sale of automobiles. But it would take a far different organization to sell $3,000 motor cars than was required to sell $100 buggies. Hence a new motor and supply company was organized; in turn subsidiary companies were organized in 18 different localites. To-day this motor and supply branch of P. T. Legaré Company is the largest automobile and garage organization in Canada.

During the war Legaré's bought a plow and stove plant in Ontario and a carriage factory in Montreal in order to get deliveries of supplies. A great manufacturing and distributing organization was built up.

He Ran the Quebec Fairs

Mr. Fortier has branched out beyond this business and has had some interesting experiences and achievements in the three widely varied lines of newspaper publishing, agricultural exhibition, and banking.

About fifteen years ago the Quebec Exhibition was facing bankruptcy. It had mortgaged its properties and had not the money to carry on. With another wealthy Quebecer, Mr. Fortier bought the exhibition. He ran it himself in 1911 and made money, besides giving the people a successful fair.

A story is told about an incident at this fair that illustrates Mr. Fortier's keen judgment of human nature. He had hired an areoplane to give exhibitions, and that was a time when few people had ever seen an aeroplane. The people crowded around the machine, hampering the efforts of the pilot to get it in flight. A small staff of peace officers tried in vain to move the crowd back. A few rough and surly fellows in the mob dared the attendants to try to move them. A dare that was not taken because the protective force was so weak.

In the midst of the confusion Mr. Fortier appeared on the scene. He went up to a few of the more aggressive men in the crowd and said: "You fellows are pretty strong. Give us a hand to hold the crowd back." Honored by the conferment of official authority, the bullies turned themselves into most effective unpaid policemen and there was no more trouble.

Mr. Fortier only owned the Exhibition one year. The city of Quebec saw that it had been turned into a paying proposition and immediately had a bill put through the House expropriating it. He ran it for the city one more year and then handed it over.

He Owns Two Newspapers

His journalistic endeavors are the result of boyhood ambition.

When Fortier was going to business college in Quebec he roomed with a young man of about his own age. Fortier was Liberal in his views; his friend Conservative. Political passion was strong in each young head. Arguments were frequent and sustained. And to settle their arguments they had recourse to the daily newspapers. Fortier would bring out his favorite newspaper to prove his case. It was, naturally, a Liberal paper. Just when his triumph was at its height his friend would produce the opposition paper to show that Fortier was wrong. The papers not only differed in opinions but each distorted facts. If there were 1,000 Grits at a Liberal meeting and 100 Tories at a Conservative meeting the Tory paper was sure to have the figures reversed. The Liberal paper sinned equally.

One day when Fortier had gone so far as to stake the one and only dollar that he happened to own at the time to back a statement he had hazarded, he was chagrined to find the papers useless in settling the dispute. He turned to his friend and said: "If ever I am worth $100,000 I am going to have a newspaper that tells the facts as it sees them, without political bias and that can be considered as reliable."

Fortier kept his promise to himself. In 1917 he took over L'Evénément of Quebec. The paper was not flourishing. It had just gone through the conscription campaign. Its stand for conscription had dropped its circulation to 3,000 and its advertising to practically nothing. Mr. Fortier made it an independent newspaper. He started Le Nouvelliste, of Three Rivers, on the same policy. Both papers are well regarded in newspaper circles and maintain their reputations for fearless independence and accuracy. But Mr. Fortier says: "Because a paper is independent does not mean it does not have opinions. We are never afraid to take a stand when we think there is a right and a wrong side to a question."

Fight to Save Banque Nationale

Mr. Fortier had something to do with banking in connection with the fight he waged, along with a group of other Quebec business men, to save La Banque Nationale. Probably none of the 235,000 depositors in the bank, nor many of its shareholders realize how close the bank was to disaster. On the day when it seemed that nothing could be done to save the bank he was called, with prominent Quebec men, to step in; they got banking support, organized a group of big business men to look after its affairs; they secured new capital and gave the bank a new lease of life. The struggle did not succeed in saving the bank; eventually it was forced to merge with another bank, but the merger saved everybody from loss. It was a valiant struggle. Mr. Fortier is not saying much about his part in the affair, but he spent many hours a week for two years at the bank's offices, he spent sleepless nights and days of harrowing worry and came out of the deal with many thousands of his own money spent without personal return. But thousands of others were saved from loss and the Province of Quebec from a staggering blow to its thrift and credit.

Mr. Fortier is a farm boy who has made good in business. The immense Legaré organization is filled with farm boys. Mr. Fortier takes them into his organization whenever he can get a chance.

"The farm boy is ready to work hard. He has no preconceived notions that the boss is out to do him. He knows that a man gets just what he works for and deserves. The city boy if he comes from a wealthy family, is likely to be handicapped by his training. If he comes from a workingman's family he is sometimes too ready to believe that his employer is going to try to put it over him, due to discussions heard in the home. The boy's outlook on business may be affected by the father's experiences.

"If I get a smart farm lad, I can give him a training course in salesmanship, one in business, one in advertising, and other such correspond-

(Continued on page 11)

Personal

A. K. HARVIE, recently appointed Manitoba inspector of Bank of Commerce, is back in Winnipeg after four years' absence. He joined the bank in 1906, coming to Canada from Scotland and being first attached to Winnipeg branch, and subsequently serving as accountant and relieving manager in each of the three prairie provinces until in November, 1910 he was attached to the superintendent's department in Winnipeg, from which department he enlisted in November, 1915, to take up military duty, in which he attained the rank of captain, was awarded the Military Cross and was mentioned in despatches. Mr. Harvie returned to the bank in June, 1919, and was appointed assistant inspector in Winnipeg. With the establishment of a superintendent's department in Calgary in October, 1920 he became assistant inspector there. In October, 1921, he was appointed inspector of maritime and Newfoundland branches with headquarters in Halifax. In August 1923, he was made manager at St. John N. B., remaining in this position until appointed inspector of Manitoba branches

HAROLD W. TRENHOLME, well known in Winnipeg financial circles recently died after a short illness. For years he had been associated with banking, trust and loan and bond business in Winnipeg. Born in Montreal he was associated with a Montreal financial house for a time and some 20 years ago moved to Fernie, B.C., with Bank of Commerce, later being transferred to Winnipeg and finally became a branch manager. He resigned to become manager of Dominion Trust company and remained with it until the company wound up in 1916. He then went back to the service of the bank and in 1918 became manager of the Winnipeg Mercantile Trust company, Winnipeg, resigning in March of last year to enter the bond department of Allan, Killam and McKay, where he was stationed at the time of his death. He was a member of the Winnipeg Stock Exchange. He was a son of Hon. Norman W. Trenholme, former McGill professor, being dean of the faculty of law and later judge of the King's bench. He was a son-in-law of Archbishop Matheson, primate of Canada.

"**ELLIOTT G. STEVENSON**, Detroit lawyer and president of the Detroit Street Railway, died quite suddenly in California. He was noted as one of the greatest trial lawyers of his time in Michigan." This tribute came from Attorney Hinton E. Spalding, who not only has been associated with Mr. Stevenson in many cases, but who also has faced his fire as opposing counsel. Although but one of several of equal importance, the Henry Ford-Chicago Tribune $1,000,000 libel suit brought the redoubtable attorney his widest fame. This was, in a sense, the crowning case of a career that promised something of the sort when, at the age of 22 years, Mr. Stevenson became prosecuting attorney at St. Clair county, Michigan.

Mr. Stevenson was born in Middlesex county, Ont., May 18, 1856, son of William and Mary Stevenson. The family moved to Port Huron, Mich., during the boy's early childhood. Young Stevenson was educated in the public schools of that city, rounding out with a course at an academy in London. His Detroit legal practice was one of the most extensive in the city and he was regarded as wealthy.

The Dominion Bank

Notice is hereby given that a Dividend of three per cent. upon the paid-up Capital Stock of this Institution has been declared for the quarter ending 31st March, 1925, being at the rate of twelve per cent. per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Wednesday, the 1st day of April, 1925, to shareholders of record of the 20th March, 1925.

By Order of the Board.
C. A. BOGERT,
General Manager.
Toronto, 27th February, 1925.

Dominion Textile Company, Limited

Notice of Dividend

A Dividend of One Dollar ($1.00) per share on the Common Stock of DOMINION TEXTILE COMPANY, Limited, has been declared for the quarter ending 31st March, 1925, payable 1st April, to shareholders of record March 16th.

By order of the Board,
JAS. H. WEBB,
Secretary-Treasurer.
Montreal, March 3rd, 1925.

Montreal City and District Savings Bank

Notice is hereby given that a Dividend of two dollars and fifty cents per share has been declared on the Capital Stock, called and paid up, of this Bank, and will be payable at its Head Office, in this City, on and after Wednesday, April first next, to shareholders of record, Saturday, March fourteenth next, at twelve o'clock noon.

By order of the Board,
A. P. LESPERANCE,
General Manager.
Montreal, February 23rd, 1925.

Southern Canada Power Co. LIMITED

DIVIDEND NO. 21

A Dividend of One and one-half per cent. (1½%) on the PREFERRED STOCK OF SOUTHERN CANADA POWER COMPANY LIMITED has been declared for the quarter ending March 31st, 1925, payable April 15th, 1925, to shareholders of record March 31st, 1925.

By order of the Board,
L. C. HASKELL,
Secretary-Treasurer.
Montreal, February 27, 1925.

Penmans Limited

Dividend Notice

NOTICE is hereby given that the following Dividends have been declared for the quarter ending 30th April, 1925:

On the Preferred Stock, one and one-half per cent. (1½%) payable on the 1st day of May to Shareholders of record of the 21st day of April, 1925.

On the Common Stock, two per cent. (2%) payable on the 15th day of May to Shareholders of record of the 5th day of May, 1925.

By Order of the Board.
C. B. ROBINSON,
Secretary-Treasurer.
Montreal, Que., 2nd March, 1925.

The Wabasso Cotton Company Limited

Dividend No. 29

Notice is hereby given that a quarterly Dividend of One Dollar ($1.00) per share has been declared on the Capital Stock of the Company, for the quarter ending 31st March, 1925, payable on the 2nd April, 1925, to Shareholders of record at the close of business on the 13th March, 1925.

By Order of the Board.
JAS. R. RITCHIE,
Secretary Treasurer.
Montreal, P.Q., February 12th, 1925.

Dividend Notice

Canadian General Electric Company, Limited

Preference Stock Dividend No. 60

Notice is hereby given that a Dividend of one and three-quarters per cent. for the quarter ending the 31st day of March, 1925, being at the rate of seven per cent. per annum, has been declared on the Preference Stock of the Company.

The above Dividend is payable on and after the first day of April, 1925, to Shareholders of record at the close of business on the 14th day of March, 1925.

By order of the Board.
W. H. NESBITT,
Secretary.
Toronto, March 4th, 1925.

March Investments

Investors with available funds will find in the new list, securities of wide diversity issued by the Dominion, the Provinces of the Dominion, and by Canadian cities and towns from coast to coast.

These issues give the investor, whose first requirement is safety, securities which are well suited to the purpose. The yields vary from 4.50% to 5.30%.

In addition to the above, the list contains a few corporation bonds—which give larger income returns ranging from 5% to 7.40%.

Copy of March List on Request.

A·E·AMES & CO
DEPENDABLE INVESTMENTS — ESTABLISHED 1889
MONTREAL TORONTO NEW YORK
VICTORIA, B.C. CHICAGO, ILL

J. H. FORTIER, BORN ON QUEBEC FARM, NOW A CANADIAN LEADER

(Continued from page 10)

ence courses, and then I can make a general manager of him."

His Theory Works Out

This isn't merely theory. One of the biggest men in the Legaré organization is a farm boy. He was taken in at an early age, and Mr. Fortier saw to it that he got a chance to study outside of business hours. Then one day an important part of the Legaré machinery failed to work. The trouble was diagnosed as bad management. The almost inexperienced farm boy was put in, at 21, as general manager of that division. He made good and has built up a wonderful organization over a term of fourteen years.

Mr. Fortier believes in fair dealing. His salesmen are instructed never to take advantage of a chance to load a price a few dollars. His buyers are instructed to buy at prices that allow a fair profit to sellers, not to force factories to take business at a loss. He runs his business, his newspapers, everything, on the same principle. As president of the C. M. A., his attitude towards the public will be one of square dealing and recognition of the fact that there are two sides to most questions.

"We can build Canada only on the co-operation of all," he told me, in discussing national affairs the other day. "It is worth while making personal, local and provincial sacrifices to insure coast-to-coast satisfaction and to make certain of the progress of the country.

"Canadian problems are of such magniture that they must be solved and can only be solved by study and settlement that is free from provincial disputes and class prejudices."

Mr. Fortier would liken Canadian groups to a board of directors. The directors will have hot disputes among themselves; if they do not, it is a sign that they are stagnant and dominated by a single influence. But out of the debate emerges finished policies in which all can agree. Mr. Fortier likes debate and discussion on Canadian problems; considers it a sign of a healthy interest in Canada's future. All he asks is that jealousies, prejudices and selfish motives be eliminated.

It is going to be interesting and exhilarating to watch this former Canadian farm boy in action.

7.18%

A PREFERRED STOCK THAT IS WORTHY OF RECOMMENDATION AS AN INVESTMENT IS THAT OF FRASER COMPANIES LIMITED

IT MAY BE BOUGHT FROM US AT - 97½ - AND ACCRUED - DIVIDEND - TO YIELD - 7.18%

WRITE FOR CIRCULAR TO

ROYAL SECURITIES CORPORATION
LIMITED
Montreal, Toronto, Halifax
St. John, Winnipeg, Vancouver

Investors' Inquiries

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

C. P. R.

Reader, Ontario.—Would like your opinion of Canadian Pacific Railway stock.

In this issue will be found a review of the earnings of C. P. R. for 1924. The stock has established itself as the premier Canadian investment, always reliable and likely over a term of years to show moderate advances.

B. C. FISHING-INTER. PETE

W. C., Toronto.—Kindly give me a report on the financial condition and your opinion of the probable market action of the two following securities in which I am interested: B. C. Fishing Co. and International Petroleum.

In this issue you will find articles dealing with both these companies. Both are steadily improving their position and are regarded as promising better things for those who hold the shares.

KEEFER REALTY

R. M., Ontario.—A client of ours is considering purchasing a $500 bond of the Keefer Realty Corporation, 6½ per cent., due June, 1943. He already holds a substantial block of Victory bonds, C. P. R. 4½ per cent. notes, etc. We would like your opinion of the security behind the Keefer bond. Our client is not particularly concerned with the feature of marketability.

We would consider the security behind the Keefer Realty Corporation issue satisfactory. The building is a fine new office structure in uptown Montreal and the proprietors have been very successful in renting it.

EAST KOOTENAY POWER

J. M., Nova Scotia.—I would appreciate your opinion of East Kootenay Power Bonds as an investment.

There is a good market for East Kootenay Power bonds, and they are changing hands at around 102 and have a good security back of them. The last annual report of the company showed that net earnings were $147,000, and that the bond interest was $122,000. Since that date of the statement, the company commenced operating an enlarged plant and earnings at the present time are said to be more than double the bond interest.

NORTHWESTERN UTILITIES

W. D., Nova Scotia—Will you kindly tell me what you know of the North Western Utilities bonds, 1st mortgage? Would you consider them a good investment, if so, why?

With regard to the Northwestern Utilities First Mortgage 7 per cent. bonds, this is a well-secured business man's investment. The company operates in a growing field, and they are bound to grow with the field. The company has been in operation for over a year and has already demonstrated its ability to earn money. Taken from all angles, this new issue presents attractive possibilities. The investor gets a good first mortgage plus a chance to share in future profits through the stock bonus.

DOMINION LIFE

P. B., Sydney.—I have a twenty pay life participating policy with the Dom. Life Insurance Co. A party was telling me it would pay me better to put that much in the bank than to keep the said policy. I only made one payment, so kindly give me the best advice you can with regard to this matter.

The Dominion Life Assurance Company is an old established company, operating under a Dominion charter. It maintains the necessary government deposits and reserves against insurance in force. It is, therefore, a safe and excellent company to insure with. The twenty payment life participating policy is a good one, and we see no reason why you should cancel it.

FOUR SPECULATIONS

C. B., Ottawa.—I have some of the following stocks: What is your opinion on it? My object is to make quick turnover: Rouyn Gold, Baldwin, Columbus K., and Everett. What do you think of that Capital Rouyn Syndicate which is being formed?

Your holdings are all very speculative. Rouyn Gold may figure in the proposed merger that is now being negotiated. Baldwin has financing plans underway and may get the property reopened. Columbus Kirkland has been fluctuating up and down in a narrow margin. Everett may sell higher, as shares to do diamond drilling were sold above the present market level. Your idea of a quick turn is the right one, as soon as you can see a small profit. Capital Rouyn Syndicate has not issued sufficient data on plans for an opinion to be expressed.

BARRY HOLLINGER

C. R., Newport.—Can you give me any information regarding the company known as the Barry Hollinger Gold Mines, some shares in which I purchased in January, 1924? Can you say if the company is progressing, and the present price of the shares, and whether they are worth keeping?

Shares of Barry Hollinger Gold Mine stock have just been listed on Standard Mining Exchange, Toronto. The opening price was 42 and since then the price has moved up to around 47 cents. We understand that one of the leading brokers purchased considerable stock from the company and also underwrote another block. The prices have not been made public. The company proposes using the funds to finish erection of its mill and to carry out considerable further developments. Indications are that the proposition will be one of selective mining.

STEEL OF CANADA COMMON

Enquirer.—What is your opinion of Steel of Canada common stock?

These shares are well regarded and have recently been heavily bought, which caused them to sell up to 88. It has been selling at price levels which gives it one of the highest yields on the board, this despite the fact of its fine showing in the stagnant 1921 and 1922 period, and its strong recuperation in 1923, and a financial position excelled by few companies whose securities are listed here. At the end of 1923 it had net working capital amounting to over 11¼ millions, nearly equal to the combined amount of bonds and preferred stock outstanding, which leaves the common with a high book value. The career of this company is justifying the same administration methods which have placed the company in such a strong position. The stock has been selling far out of line with many less worthy issues.

ASSOCIATED GOLDFIELDS

Enquirer, Mitchell.—I hold a considerable quantity of stock in the Canadian Associated Goldfields which cost me about 20c. a share. The present price is around 5c. and I have been advised to sell and take my loss, as they say there is no future for this company. Another party advises me to hold as he considers that eventually this will develop into a good mine.

Shares of Associated were being transferred freely for some considerable time around 9c. The market may be, as you say, 5c. now, but if they were worth 9c. when they were selling at that price, they are worth at least that much, if not more, now. The company is making good progress with the development of its property in Larder Lake. It is regarded as a fairly rich little mine. The huge capital outstanding is a dampening factor, but as your average is low, it looks as if you might have a chance to get out without a loss if you are willing to wait.

GOLDALE-NEWRAY-CONIAURUM

Subscriber. Sault Ste. Marie.—Will you kindly inform me if the Goldale Mining Co. property should turn out to be very valuable would it affect the Newray or Coniaurum stock? Does the Coniaurum Co. control the Goldale and Newray stock? Which, in your opinion, is the best buy?

Goldale is a holding company with a number of important properties in the Porcupine district. Last year it amalgamated one of its properties with the Armstrong Booth and Newray, and the new company is called Coniaurum, in which Coniagas Silver Mines will hold control. Goldale took a share interest and Newray a share interest for their properties. Goldale are holding their shares in the treasury, Newray is distributing their shares to shareholders. Coniaurum does not control or hold shares in either Newray or Goldale. As to which is the best buy the choice will be between Coniaurum and Goldale. Newray shares are selling too high, if taken on a basis of 10 Newray for one Coniaurum.

GERMAN BONDS

W. M., Nova Scotia.—The writer on various occasions has received circulars from different investment houses in Montreal advertising German bonds. To-day he received one advertising City of Ronsdorf 6 per cent. bonds of 1924. Not callable for ten years. The following appears in the circular: The city is situated in the Rhine province, employing thousands in the great cable factories and textile mills. The resources of the city are in excess of 3,521,000 gold marks, and the annual income from taxes is about 1,650,000 gold marks. The bonds are issued in denominations of one million mark and five million mark pieces. Price $7 per million mark bond of $30 for five millions. Will you kindly give us your candid opinion of these German investments?

To us, even from the standpoint of a speculator, the 6 per cent. bonds of the city of Ronsdorf look most unattractive. In the first place, these bonds were issued in 1924 when the mark was at its lowest ebb, and it would hardly be conceivable that a town which borrowed cheap money would make repayment in a currency which would be worth much more. The firm who is selling these bonds tells us that they have no market in Canada, but that they are being bought in New York at about $5. This spread is too large. In the descriptive circular these bonds are grouped with issues of cities like Berlin, Hambourg, and Frankfort—these issues were all sold previous to the war, and it is expected that repayment will be made in funds which will at least approach the value of the money borrowed. Lastly, the city of Ronsdorf bonds are being sold at $7 a million, whilst actual marks may be purchased from your banker at around $1.25 per million. All in all, the bonds would seem to offer not even a speculative attraction.

INDUSTRIAL ALCOHOL

W. K., Winnipeg.—Being interested in the Canadian Industrial Alcohol Co., I shall much appreciate any information which you may be good enough to furnish along the following lines: Do you consider stock purchased at $19.50 a good investment? What is your opinion from the standpoint of speculative returns? It would appear that this company obtained charter originally in 1922 with authorized capital of $10,000,000, shares $25 par value, whereas stock certificates now issued indicate incorporation took place 1924 and that authorized capital is $1,000,000 with shares no-par value. Kindly explain re this change. Is the entire stock made up of no par value ordinary shares? What is the real nature of their operations? Are branches opened in this province and elsewhere in the Dominion conducted as subsidiary companies? To what extent were this company's operations profitable for each of the periods ended 1923 and 1924?

Canadian Industrial Alcohol stock around the present market price of $18.50 a share may be regarded as a fair speculative investment with good possibilities over a long term. The stock does not seem yet to have found its final level after the tremendous interest and the rapid advance in price during the past two or three years. Nevertheless, earnings of the corporation justify the hope of steady advance.

The company split its stock last year giving to the former shareholders two shares for each share formerly held. This was done in order to facilitate trading in the shares by widening the number of units into which ownership of the industry was broken and also to capitalize some of the larger earning power in the company.

The company has no shares or bonds outstanding apart from the no par value ordinary shares.

The company manufactures industrial alcohol as well as other alcoholic products, such as whiskey, brandies, etc. The industrial alcohol manufacture is becoming an increasingly important part of the business and while exact figures are not available it is understood that it now affords over half the total sales.

The company operates a subsidiary company in St. Boniface, Man. There are no similiar subsidiaries in other provinces although the company controls a distillery at St. Hyacinthe, Quebec, and is likely to operate other branch plants in other provinces in the future.

The company had excellent earnings in both 1923 and 1924. Earnings in 1923 were $1,500,000. Earnings per share were equivalent to $2.54 in 1923 and $3.78 in 1924. This was on the old stcok.

NATIONAL LIFE PRESERVER

E. T., Nova Scotia.—We have received an enquiry regarding the National Life Preserver Co., of Canada, Montreal, and the Fidelity Securities Corporation, probably the same address. The former apparently has been formed to manufacture and rent a suit of apparatus to be worm by ocean travelers, and which is designed to prevent drowning, and excessive cold from exposure. The latter seems to be the selling agent for the capital stock of the former. The prospectus holds out rather an alluring prospect of substantial dividends for the investor.

Both the Fidelity Securities Corporation and the Capital Securities Corporation of Montreal are the selling agents for the stock of the National Life Preserver Company of Canada Limited. The capital of the company consists of 500,000 shares of $1 par value. The selling agents say that the present issue of 100,000 shares has all been subscribed, though some of the stock has not as yet been paid for. There is a possibility of a further issue. Of the present issue of 100,000 shares, 15,000 went to the parent American company for patent rights for the British Empire, 20,000 shares went to, or are going to, the directors for preliminary organization expenses and the remaining 55,000 have been subscribed for by the public.

As to the article which the company are selling, it seems to be good enough and we are informed that the company has already received an order from the Great Lakes Transportation Company for 200 of these life saving suits. Some 500 suits are now being made under contract..

The company intends merely to sell the suits—they will be made by others. There will also be a scheme for renting them. The patent rights allow the product to be sold to the British shipping field and it is intended to convince all the ship owners that their ships should be equipped with the preservers. Also, it is said that passengers on board ship will be able to rent the suits.

The parent company in the United States seems to have had hard sledding and to have met no success—at any rate as far as money making goes. The Canadian enterprise seems speculative and we do not advise the purchase of securities of this nature.

Current Opinion

HOME BANK PROPOSAL IS INIQUITOUS

Ottawa Journal: When Mr. "Tim" Healey of Belle River fame told his constituents some weeks ago that Home Bank depositors would be compensated, we said that the statement was sinister. Our misgivings were based on the conclusion that a man who could induce the government to gouge the treasury for $33,000 to build a wharf on a sandbar would be all too likely to deliver the goods to Home Bank victims in his riding—especially on the eve of an election.

Our fears have been quickly justified. For after delaying and dodging the issue for nearly two years, Mr. King seizes the eleventh hour before an election to dip his hands into a devastated treasury to recoup Home Bank losers.

No more brazen, no more palpable, no more iniquitous election trick has been perpetrated on this country of electioneering afflictions within our memory.

There are people in this country who have no money to put into banks. There are people in this country who are destitute, unemployed. There are thousands of people in this country who are being fed by charity. Mr. King proposes to tax heavier everything these people and their dependents eat and wear and use to benefit people who had money to put into the bank—and who happened to lose.

MANAGER PLAN WORKS

Grand'Mère (P.Q.) Journal: Seattle, a city of two hundred and forty thousand on the Pacific coast of the United States is engaged in a campaign to instal the city manager system and has written to Grand'Mère to ask the opinion of certain of its citizens on the value of the city manager system as operated in Grand'Mère. It is pleasant to be able to assure the inquirers of the value the city manager system has been to Grand'Mère, in giving it a stable administration, in putting its municipally owned public utilities on a paying basis, in putting the credit of the municipality in an unassailable position and in generally making more efficient the administration of the city.

The city manager system undoubtedly conferred definite benefits on Grand'Mère, and since the scheme has actually been successful, not the least of these benefits is that of being known as a city where the city manager system is in successful operation. Grand'Mère should take a particular pride in having been one of the first, if not the first, of the municipalities in the province to graft the new city manager system on the Quebec municipal corporation, the product of several centuries of development.

A DOUBTFUL PROPOSAL

London Free Press: The North Atlantic shipping combine may be all that W. T. R. Preston says, and more, but it is hard to find any paper in Canada which defends the method the King government proposes to fight this alleged combine. What the press cannot understand is, why, if the prices charged are so terrifically high, the Canadian Merchant Marine, which has been a member of the combine, has been steadily losing money and secondly, why the 60 odd vessels of the Canadian government marine were not used to break the combine instead of paying a subsidy out of the coffers of the country to a minor English company which will only have 10 vessels in operation when built.

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C.P.R. Earned 11 Per Cent. on Common During Past Year

MONTREAL.—Although the figures for the gross earnings of the Canadian Pacific Railway for 1924 show a falling off of over $13,000,000, yet the aspect is brightened in the eyes of the shareholder by the fact that the working expenses show a drop of almost similar amount, so that the net earnings are down only $252,000 from 1923. The falling off in revenue was due to the smaller grain crop in the west and less merchandise shipped in eastern Canada. On western lines grain and grain products comprise nearly 55 per cent. of the traffic carried. During 1925, on western lines this type of freight fell off 860,688 tons or approximately 9 per cent.; while in the east, due to decreased industrial activity, there was a decrease of 832,604 tons of merchandise carried. Over eastern lines merchandise represents over 50 per cent. of the freight hauled.

The earnings on the common stock were 11 per cent., the lowest showing since 1919, and are in line with estimates based on the monthly reports of net earnings during the year. In showing a margin of one per cent. over dividend requirements, the company had to cope with a reduction of over thirteen millions in gross revenues from railway and lake steamers and a reduction of approximately a million and a half in special income. Working expenses were reduced also by more than thirteen millions. Both gross earnings and working expenses were at the lowest level shown since 1919.

Gross earnings from railway and lake steamers amounted to $182,502,156, as compared with $195,837,090 in 1923. Working expenses were $145,274,914, as against $158,358,080, leaving net earnings from the sources named at $37,227,242, as compared with $37,479,010. Fixed charges show an increase of over half a million at $14,070,287, as against $13,470,653, leaving a surplus for the year of $23,156,955, comparing with $24,008,357. The usual $500,000 appropriation is made for the pension fund, leaving available for dividends the sum of $22,656,955. In 1923, net revenue was $23,508,357. Another increase is shown in preferred stock dividend requirements, $3,993,341 having been paid out in this manner during the year, as compared with $3,675,010. This payment left $18,663,614 to provide the 7 per cent. on ordinary shares which railway and lake steamers account is called upon for. This called for the disbursement of $18,200,000, which left a net surplus for the year of $463,614, as compared with $1,633,347.

Special income for the year, after making allowance for contingent reserves, amounted to $9,971,252, as compared with $11,391,052. Payment of the 3 per cent. on common, which this account is called upon for, a disbursement of $7,800,000, left a balance of $2,171,252. The previous balance of $28,650,897 places at credit of special income surplus account the sum of $30,822,149.

Earnings from railway and lake steamers follow:

	1924	1923	1922	1921
Gross earnings	$182,502,156	$195,837,090	$186,675,035	$193,021,854
Work. expenses	145,274,914	158,358,080	150,373,345	158,820,114
Net earnings	$ 37,227,242	$ 37,479,010	$ 36,301,691	$ 34,201,740
Fixed charges	14,070,281	13,470,653	13,348,905	11,519,071
Surplus	$ 23,156,955	$ 24,008,357	$ 22,952,785	$ 22,682,668
Pension fund	500,000	500,000	500,000	500,000
Net revenue	$ 22,656,955	$ 23,508,357	$ 22,452,785	$ 22,182,668
Preferred dividends	3,993,341	3,675,010	3,227,276	3,227,276
Balance	$ 18,663,614	$ 19,833,347	$ 19,225,509	$ 18,955,392
Common dividends	18,200,000	18,200,000	18,200,000	18,200,000
Net surplus for year	$ 463,614	$ 1,633,347	$ 1,025,509	$ 755,391

Special income account pays 3 per cent. of the shareholders' 10 per cent. dividend. The revenue in this account is derived from investments, securities of other roads, Dominion Express and Telegraph earnings, ocean and coastal steamers, hotels, miscellaneous revenues, and in fact, any revenues coming to the company from sources other than railways and lake steamer operation.

	1924	1923	1922	1921
Special inc.	$ 9,971,252	$ 11,391,052	$ 11,092,355	$ 10,987,199
Dividends	7,800,000	7,800,000	7,800,000	7,800,000
Balance	$ 2,171,252	$ 3,591,052	$ 3,292,355	$ 3,187,199
Previous balance	28,650,897	25,059,845	21,767,490	18,580,291
Spl. inc. acc. surp.	$ 30,822,149	$ 28,650,897	$ 25,059,845	$ 21,767,490
ndicated earnings on ordinary stock	11%	12%	11.6%	11.15%

Write For Our March Bond List

Whether your inclination lies toward Dominion, Provincial or Municipal Bonds, or in the direction of the highest grade of Corporation Bonds, the offerings in our March Bond List should meet your requirements.

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Foreign Bonds We Recommend

Among our current recommendations will be found bonds of certain Foreign Governments which yield, in a number of instances, over 7%.

We, however, do not recommend the bonds of all Foreign Governments, and those we do recommend are External obligations only.

These securities, which are payable as to principal and interest in Dollars in New York, or in Sterling in London should not be confused with Internal issues which are payable only in the currency of the countries concerned.

Our booklet "Sound Bonds of Foreign Governments," just issued, will give you further particulars.

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204 Union Bank Building OTTAWA
71 St. Peter Street QUEBEC

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News and Views of Bond Market

MANY FIRMS ARE RETIRING BONDS FOR LOWER RATES

Calling in Issues at 8% and Obtaining Money at Six

The bond market is featured this week by a striking scarcity of new issues coming forward, and indifferent trading continues to rule. Notwithstanding the lack of interest on the part of the investing public in present yields, lower interest levels are indicated. A downward price trend is usually attended by increased interest in other forms of investment, such as mortgages. Since offerings of the latter are neither as satisfactory in some respects, nor as abundant, as formerly, the better class of industrial bond, and the more or less new real estate mortgage bond suggest themselves more and more to the institutional buyer, where security is adequate, and where no restrictions exist in the case of the latter, against investment in such issues.

One effect of the trend towards lower interest rates is the tendency of industrial companies to retire some of their outstanding issues and borrow at lower levels. The Brompton Pulp and Paper Company have just announced that they will call in their 8 per cent. 20-year convertible mortgage bonds, which were issued in 1921, and place new issues aggregating some $3,000,000, presumably at a lower rate. The Fraser Companies are retiring $1,250,000 of their 6 per cent. first mortgage bonds, and $1,879,000 of their 8 per cent. bonds, and will issue about $3,500,000 25-year bonds all at 6 per cent. Some of the provinces, notably British Columbia, wisely borrowed on a short-time basis during the period of high interest rates, and are now able to obtain their new requirements at lower rates. Others made the mistake of putting out long-term issues at existing high rates, and are now paying thousands more annually in interest than would have been necessary if a longer-sighted policy had been adopted.

U. S. Investments in Canada

While there will be a tendency to borrow more and more in London with the pound's return to gold. which now seems imminent, certain features of the United States capital market are worth noting. As pointed out by Sir George Paish in an address in Toronto this week, America's ability to continue indefinitely as a lender abroad, depends on her willingness to accept foreign goods in payment. But this involves industrial opposition and adjustments which take time. A large volume of Canadian products enter the United States market despite tariff conditions, since they are essential to industry and consumption in the United States. It would, therefore, seem highly probable that the United States investor will devote more and more attention to the Canadian field. Indeed a lower yield in Canada may continue to prove attractive to the American investing public on this account. In the expansion which many believe Canada is now facing it is probable that abundance rather than scarcity of outside capital will be the danger both in the industrial, and in the municipal and governmental field.

External and Internal Foreign Bonds Greatly Different

From Our Own Correspondent

MONTREAL.—That foreign securities sell at higher prices in London, England, market than in the North American market is the interesting fact brought out by a new booklet on foreign government bonds that the National City Company, Limited, will issue in a few days. The booklet points out that Japanese government bonds are selling in London to yield 6.60 per cent., while similar issues are selling in New York to yield 7.20 per cent. Other examples are quoted and it is pointed out the main reason for such a difference in price in the two markets is the limited experience which investors on this continent have had so far in foreign issues.

In recommending an investment in foreign government bonds the booklet clearly sets out that reference is made only to external bonds and that the National City Company does not recommend as foreign investments those internal obligations which, being payable in a depreciated currency which is subject to fluctuation, can be regarded only as speculations.

Holders of external bonds, it is pointed out, are in a very favorable position as, for obvious reasons, a borrowing country must at all costs protect its foreign credit on which its commercial life dedepends. No debtor country, if it aspires to hold a place in the society of nations, can afford to dishonor its credit. In the few unimportant instances of flagrant disregard of such obligations the defaulting country is looked upon as an outcast—a pariah among nations. So much emphasis do international economists place upon this fact that it is generally conceded that a nation's external obligations do in fact rank prior to all other loans of that nation. This has been amply borne out in the past and is indeed self-evident.

The booklet states that while no predictions can be made it seems reasonable to expect there will be in the course of the next few years foreign securities of unquestioned soundness which will sell on a basis more commensurate with the protection they assure the investor.

TRAMWAYS ISSUE QUICKLY SOLD

MONTREAL.—In the first half hour in which the books of the Montreal Tramways $7,000,000 bond issue were open, the issue was oversubscribed and an advance in the price ensued.

This is a good showing for an issue of this size floated in the Canadian market and reflects the general opinion on the character of the issue.

Vancouver Plans to Borrow About $2,250,000

The city of Vancouver is expected to float bond issues this year totalling $2,250,000. On December 11 the ratepayers of the city approved by-laws for the spending of about $1,000,000 and to this was added $1,250,000 under a by-law which was approved recently by an overwhelming majority, for the extension of the water system. A. J. Pilkington, city comptroller, is watching the bond market closely to arrange for the flotation when the market is most favorable.

Tenders were opened recently for the provision of 5,000 feet of 36 inch steel main, with which it is proposed to replace a part of the Seymour Valley line, and the bid of the Vulcan Iron Works, of Vancouver, was accepted. Installation of the Burwell Lake tunnel which is expected to cost about $60,000 will take place this summer.

PROSPECTS WANE FOR LOWERING OF DOMINION TAXES

February Financial Statement Shows Further Decrease in Revenues

From Our Own Correspondent.

OTTAWA.—The February financial statement of the Department of Finance made the outlook in this department of the government worse than ever. It showed that there had been a decrease of $4,760,061 in the revenue for the month as compared with that for the corresponding month last year. It also showed that the total expenditure during the month was $19,606,435, an increase of $1,558,197 over that for February, 1924.

The total revenue for the 11 months ending February was $308,207, a decrease of $54,907,091, as compared with that for the corresponding period last year. This was larger than the customs and excise returns for the period had indicated the slump might be.

As the decrease in revenue to date has been roughly $55,000,000, it is quite probable that the total decrease over the whole 12 months will be $59,000,000, and possibly $60,000,000. This would mean the swallowing up not only of the $35,000,000 of a surplus claimed last year, but the creating of a new deficit of $25,000,000.

Expenditure for the 11 months ending February was slightly higher than it was for the corresponding period last year. For all purposes, both capital and ordinary, it stood at $291,413,717, an increase of $1,129,567 over that for the preceding period. There has been a slight reduction in ordinary expenditure which has been more than offset by increases on capital account.

The foregoing makes the prospects for tax reduction anything but good. As can be seen, there is no reduction in expenditure, and during the approaching fiscal year expenditure will be higher still. The House has practically given up hope of worthwhile economies being effected this year.

ONTARIO WORKING ON SINKING FUND PLAN

Beer and Gas Taxes Will Lower Deficit but Annual Shortage Remains

The high lights of the Ontario provincial budget announced last week by Provincial Treasurer Price are: The proposed establishment of a sinking fund; an estimated improvement of $6,000,000 over last year, and the imposition of beer and gasoline taxes, the former to yield $2,300,000 and the latter, $2,200,000. Despite the prospect of new revenues of $4,500,000, however, it was estimated that the province would sustain a $3,000,000 deficit. Last year's deficit was $8,500,000 and that of the year before, $15,000,000. The gross funded debt of the province was given as $285,339,948 and the net debt approximately $117,500,000, which amounts to $39.50 per capita.

According to Mr. Price, total receipts last year were $40,540,923 in comparison with $34,110,212 the year before, and he stated that the government would be doing well if it succeeded in keeping total ordinary expenditures next year between $49,000,000 and $50,000,000.

The most important feature of the budget was the announcement that a new sinking fund policy will be instituted next November. Such a policy has been urged upon the provincial government for some years by bond interests and others. Recently a large number of American investment houses have been enquiring with regard to the sinking fund status of the province and of the utilities, and it is felt that a further disregard of this matter would endanger the credit standing of the province. The new plan is based on serial bonds or amortized bonds, and it is planned to set apart about $3,000,000 annually to retire bonded indebtedness.

SPREAD IN PRICES OF GERMAN BONDS CONFUSES BUYERS

Revaluation Will Be on Basis of Date of Issue

From Our Own Correspondent.

MONTREAL.—One of the most perplexing problems that must be solved by the purchaser of German government bonds is the wide variation in the market price of issues, that are apparently without any difference in security. For instance, one German government note issue is selling at about 40 cents per million marks in the American and Canadian market while another German government issue is selling at $1,600 per million marks. Both being issues of the German government, the average investor is likely to ask himself why the markets should establish such a pronounced difference in selling value; why one should sell at something like three thousand times the other.

The difference has enabled unscrupulous houses pushing the sale of German bonds — some of them in Canada — to take advantage of the fact that investors cannot all be fully informed on this question.

Why the Big Difference

The chief reason for the difference in the prices of German bonds is the fact that some issues came out before the war, some during the war and some after the war. It is generally believed and it seems logical to assume that in the eventual re-valuation of securities that must be faced, the bonds issued before the war in gold marks will fare better than similar securities issued after the war when German currency was already greatly depreciated. In brief, where the government issued bonds payable in gold, some attempt may be made to give the holders a better return than when bonds were issued in paper marks. And where the bonds were issued on the basis of depreciated currency the rate of exchange or the value of the mark at the time the bonds were issued is likely to have some influence in determining what return will accrue to the holder when the problem of meeting these securities is seriously tackled.

The German government has at various times made public pronouncements regarding a possible revaluation of securities, but these statements have in almost all cases been so vague that it is hardly possible to come to any definite conclusion as to the course that will be followed.

Pay Off in German Marks

The general belief seems to be that the German government will not be able to pay off the various loans except in paper marks; even if partial repayment in gold is considered it is likely to be postponed for a long period of time, and when it is undertaken it is quite possible that the native holders of pre-war securities will receive the most favorable treatment while the holders of the after-war issues, which were largely sold to the comparatively uninformed investors in the United States and Canada, will be less generously treated.

Year of Issue Important

It will be observed that the price of these paper mark issues varies according to the year of issue. The depreciation of the marks began in 1918; first slowly, then bit by bit and after the occupation by the French of the Ruhr, at an accelerating pace, the depreciation proceeded until in 1923 it culminated with a million times a million paper marks equal to one gold mark.

Since then a new currency has been established for Germany; the Reichsmark, equivalent to a trillion paper marks, is the basis for the new currency system.

Before the last election, politicians of all parties promised the electors a revaluation but it is not certain to what extent it will be carried through. The German government has recently published a tentative plan, preserving one hundred million Reichsmark per year for the re-payment of interest on all government loans. The plan, however, makes a distinction between old and new bond holders; the first would receive much more than the second, and while such a plan might be very difficult to carry out, it will likely be pursued as far as possible.

Quite likely all the paper mark loans of the German government, including the war loans, will be converted into new loans at a fixed ratio for each issue. Average ratio is expected to be about 1,000:50 and as there are about eighty billion of government loans in the hands of the public, the conversion loan will amount to about four billion German marks. This would take, at five per cent., about two hundred million German marks per year for interest or double the amount specified already by the government. However, this suggestion has not yet been approved and it is going to meet with a lot of discussion in the German parliament before action can be taken.

Case of the Municipals

In the case of city bonds the further complication enters in. This is the variation and in the size of the city, and the amount of securities they have outstanding at the present time. Their comparative financial standing is also a factor of importance. Some cities have promised revaluation of their securities, but their definite action is being postponed.

Quite likely, when the revaluation takes place, the new securities to be issued will be on a flat basis including all accrued interest to date and it would not be surprising if interest payment in arrears were waived entirely.

BOND MOVEMENTS OF THE WEEK

WEEK ENDING MARCH 10

BONDS —	Int. Rate	Due Year	Yield	Range 1924 High	Range 1924 Low	Range 1925 High	Range 1925 Low	Ask	Latest Price Bid	Latest Price High	Latest Price Low
Asbestos	5	1942	6.07	83½	75	95	80½	88½	—	88½	—
Canada Bread	6	1941	5.69	102½	99	103¼	102	—	103¼	103¼	103
Can. Cement	6	1929	5.18	103½	100	103¼	101	—	103	103¼	103
Can. Felt	6	1940	6.15	97½	97½	98½	97	98½	—	98½	—
Cons. Rubber	6	1946	6.02	102¾	98¾	100	95	—	99¾	99¾	99½
Can. Steamship, deb	5	1943	7.04	80	72	79	78	79½	—	79	78
Dom. Iron	5	1929	6.97	92½	85	92½	91	—	92½	92½	—
Montreal Trams	5	1941	5.27	95½	91	97	94½	97	—	97	—
Ogilvie (C)	6	1932	5.18	103¼	103	105	104	—	104	105	—
Porto Rico Rlys	5	1936	6.91	85	83	85	85	84½	—	85	—
Quebec Rly	5	1939	5.87	92	80	91½	89¼	91½	91½	91½	90½
Rio Janeiro	5	1935	6.64	87	84	87½	82	—	87½	87½	86½
Sao Paulo	5	1929	6.42	90	86½	94½	91	—	92½	94½	—
Steel of Can.	6	1940	5.56	103½	103	104½	104	104½	104	104½	—
Wayagamack	6	1951	7.04	86	74	87½	84¼	87¼	87½	87½	87¼
War Loan	5	1925	3.80	100.95	100.15	101.15	100.70	101.00	100.90	100.90	100.70
Do.	5	1931	4.55	102.40	100.60	102.55	101.80	102.45	102.35	102.55	102.05
Do.	5	1937	4.52	103.85	102.20	104.35	103.80	104.35	104.25	104.35	104.25
Victory Loan	5½	1927	4.40	103.05	102.05	103.05	102.50	103.15	103.05	102.95	102.70
Do.	5½	1933	4.55	106.70	104.30	106.75	105.90	106.80	106.70	106.75	106.60
Do.	5½	1934	4.91	104.70	102.35	104.60	103.30	104.40	104.30	104.60	104.25
Do.	5½	1937	4.57	108.90	106.15	109.00	108.45	109.05	108.95	108.90	108.65
Do. Renewal	5½	1927	4.65	102.70	101.15	102.80	101.70	102.30	102.20	102.10	101.90
Do. "	5½	1932	4.90	103.90	102.10	104.00	103.10	103.90	103.80	103.90	103.55
Do. Refund	5	1928	4.70	100.85	99.40	101.35	100.85	101.15	101.05	101.35	101.05
Do. "	5	1943	4.80	102.85	99.00	102.55	101.20	102.35	102.25	102.55	102.20
Do. "	4½	1944	4.77	97.15	97.05	96.55	95.10	96.50	96.40	96.55	96.35

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TORONTO DEFENDS ASSESSMENT RATE ON WHOLESALERS

Opposes Plea for Reduction of Rate to That of Retailers

The argument of the Toronto assessment department regarding the business assessment of wholesalers who are asking to have their business assessment reduced from 75 to 25 per cent., the rating now applied to retailers, was presented to the Ontario Statute Revision Commission in session at the Parliament Buildings on Saturday. In the absence of Assessment Commissioner Forman, through illness, the case was presented by George Hurst, his assistant.

"The claim has been put forth that the wholesalers of the province, and particularly the wholesale grocers," the report states, "are not to-day making a fair return on their capital invested, and that, in many cases, profits have disappeared, and, in order to carry on, some have, of necessity been compelled to encroach on their capital." The city's argument proceeds:

"At the request of the chairman of your commission, I have endeavored to make a thorough investigation into the assessment and taxation of the wholesale business, as carried on to-day, and was promised full information and co-operation by those appearing before the commission on behalf of the wholesalers. Three days after the wholesalers presented their claim before your commission, my assistant, Mr. Hurst, called on Mr. Pike, the secretary of the Wholesale Grocers' Association, and asked that financial statements of those firms concerned be sent to him for investigation to determine just what profits, if any, were being made by these firms and who promised such statements would be treated confidentially. Out of ten wholesale grocers in Toronto, only two such statements have been submitted thus far."

In Other Municipalities

The report, however, contains certain information respecting the amount of taxes on business assessments now paid by the wholesalers in eighteen of the largest municipalities as shown by the 1925 assessment rolls, with the amounts of income reported by them in 1924. The amounts of dividends received from incorporated companies (wholesalers) by residents in the municipalities where the companies are located, and salaries paid shareholders who were also officials of the company in 1923, were also shown. In determining the amount of taxes paid on the business assessment, the tax rate of 35 mills has been used in each case, and, where a firm carries on business in more than one municipality, all their business assessments were added together and shown in one amount.

Appended to the argument was a statement referring to the business assessments, and giving other particulars of 51 wholesale grocers, 26 of whom are unincorporated businesses or partnerships, and 25 are incorporated companies. "In connection with the latter," the report continues, "the statement shows that 15 of them paid dividends in 1923, as well as salaries to officials, who are also shareholders, ranging from $3,200 upwards, and, in one case, as high as $17,000. Ninety-nine other wholesale firms are dealt with, 45 of which are incorporated companies, 38 of whom paid, in 1923, dividends of 5, 10, 20, and, in one case, 35 per cent., together with salaries to shareholders who are officials of the companies, these official salaries amounting to between $5,000 and $20,500 each. Fifty-four of these other companies are unincorporated companies or partnerships, and the amounts of profits being earned by them show that the wholesalers, as a class, notwithstanding the present business assessment of 75 per cent., are now able to make good returns from their investment. The statement deals with 150 firms, of which 17 are assessed in the city of Toronto, and the balance are located in other municipalities.

"The attention of your commission is drawn to the fact," the argument points out, "that there are a large number of manufacturers who have establishments in different parts of the province where their goods are sold by wholesale and, under these conditions the wholesalers' rate of 75 per cent. applies."

"Under the present act a manufacturer now selling his own goods on the premises where the same are manufactured is liable to the manufacturers' rate only of 60 per cent. If such goods are sold retail by the manufacturer, under the amendment passed in 1922, he is only liable for a business assessment of 25 per cent. on the value of such premises occupied for retail purposes.

"From the foregoing, it will be noticed that the manufacturer now receives special consideration in the matter of business assessment. Why increase this special favor to the manufacturer by the reduction of the rating of wholesalers from 75 per cent. to 25 per cent.?

"As already stated," the argument concludes, "the present business assessment of 75 per cent. for wholesalers seems to me but fair and reasonable and, having regard to ability to pay as well as the value of the real estate occupied by retailers (as compared with the wholesaler). I am strongly of the opinion that no change should be made in the business assessment."

RED DEER'S FINANCES

The auditor's report of the city of Red Deer for the calendar year shows a tax levy of $118,444, of which $42,054 remained uncollected at the end of the year. The total accumulated tax arrears at the end of the last fiscal year including 1924 amounted to $181,338. The tax rate for the year was 58 mills. The assessed value of taxation for 1925 is $1,440,560. Total receipts from all sources during the year totalled $186,149.

Montreal Power Must Pay Westmount Taxes

From Our Own Correspondent

MONTREAL.—In a judgment handed down from the court of appeal here, it was decided that the Montreal, Light, Heat and Power Consolidated must pay taxes to the City of Westmount and to the school commission of the municipality on the assessed value of its distributing lines.

The decision was the result of the company appealing a former decision of a lower court. The power company appealed, principally on the ground that their transmission system was not immovable property and that therefore, was not subject to the tax. Out of the five judges before whom the case was decided, one dissented.

MANITOBA MAKES 15% CUT IN EXPENDITURES

The Budget Has Been Balanced and a Sinking Fund Provided for

WINNIPEG.—The extent to which the Bracken government has succeeded in reducing the cost of administration is shown in the figures which have been submitted to the legislature.

These figures indicate that in the fiscal year ending in 1924 the net expenditures were reduced by the sum of $395,608 compared with the previous year. In the fiscal year ending in 1923 expenditures were reduced by $645,253 compared with 1921. There has thus been a total reduction in the net expenditures of $1,040,921 compared with 1921. The comparison is made with the year 1921 owing to the fact that in 1922 the fiscal year was changed so that exact comparison is impossible. In the year 1922 the net expenditure for nine months was $5,610,475. At this rate the net expenditure in 1922 for twelve months would have been $7,480,623, the largest in the history of the province. The reduction in 1924 compared with this estimated figure for 1922 is $1,232,216. These figures of provincial expenditure are net, that is, they do not include the payments on interest account. The net expenditures for the past seven years are set forth in the following table:

Year	Net Expen.
1918	$4,059,907
1919	4,988,113
1920	6,593,661
1921	7,289,328
1922—nine months	5,610,475
1923	6,644,075
1924	6,248,407

The marked increase in the cost of government up to 1922 was ascribed to the increase in the cost of living, and to increases in the extent of the public services. The reductions since the Bracken government assumed control amount to fifteen per cent. The budget, as has been announced, has been balanced and provision has been made for a sinking fund.

These circumstances will undoubtedly have effect on the rate of interest which the province will be asked to pay when outstanding maturing obligations are refunded.

TAX RATES, 1925

Meaford	50 mills
Kitchener	37 mills

Tenders and By-laws

TENDERS WANTED

April 1, Bromley Twp., Ont.—$3,000, 5½%, 10 instalments, school bonds. H. Foley, treas., Douglas.

March 23, St. Lambert, Que.—$40,000, 5½% bonds maturing 1964. J. R. Beatty, Sec. Treas.

Mar. 16, Barton Township—$12,408, 5½%, 10-yr. bonds. Sidney G. Sims, Clerk, Court House, Hamilton. (See announcement on page 16).

Municipal Notes

YORK ESTIMATES LOWERED

Township of York estimates were last week reduced from $181,150 to $143,200, this figure being $15,716.46 below last year's totals.

ALBERTA LIQUOR REVENUE

CALGARY.—While profits from the government liquor business in Alberta last year have not reached the towering heights which some people forecast, they have nevertheless gone a considerable way in reducing the provincial deficit. The latter is $38,167 less than was estimated. The original estimated deficit was $659,008, and the actual deficit $620,841.

THREE MILL TAX REDUCTION

The town council of Meaford has decided upon a tax rate of 50 mills for 1925, as against a rate of 53 mills last year. The rate included 18.5 for public and high schools, and 31.5 for general and debenture purposes. Included in the school rates is 1.5 mills for debentures on the $35,000 addition to the high school put up last fall, which is returnable from the county in January next.

QUEBEC'S GAS TAX

MONTREAL.—The Quebec Provincial Treasurer, Hon. Jacob Nicol, introduced a bill this week which increases the tax on gasoline in this province from 2 to 3 cents a gallon.

It was the original intention of the government to raise the tax to 4 cents, but after hearing the representations which were put forward by various motorists' associations, it was decided to split the difference, and to add only 1 cent to the existing rate.

MUNICIPAL COURT URGED

That a municipal court be appointed to deal with the tax arrears and possessing powers of both committal and leniency, was the suggestion of Finance Commissioner Ross of Toronto, at Saturday's session of the Ontario Statute Revision Commission. Mr. Ross also suggested a system by which citizens paying taxes in advance could get a discount. Bailiffs would be done away with by the first plan, since the court would have power to make an order regarding a man's income. That tax collecting machinery now provided was sufficient and efficient, was the opinion of the court. With regard to Mr. Ross's second plan, the commission thought that the rich would receive the benefit.

NEW BRUNSWICK'S MUNICIPAL LAWS TO BE TIGHTENED

Municipalities to be Required to File Financial Statements

From Our Own Correspondent

FREDERICTON.—Legislation will be introduced and, undoubtedly, passed at the present session of the New Brunswick legislature that will strengthen the municipal laws of the province. Bond dealers and buyers of municipal bonds will benefit.

At the present time accurate and up-to-date information about the financial standing of any New Brunswick municipality is hard to get. Some municipalities provide good financial statements; others ignore requests from bond dealers and even from the provincial government, which has for a number of years had power to require municipal officials to furnish detailed statements of assessment, receipts and expenditures and debenture debt. The power has weakened through disuse and of late years the annual report published by the provincial government of the finances of the municipalities of the province has been nothing but a joke. It was incomplete, inaccurate, and in the case of most of the municipalities dealt with entirely out of date.

It is now proposed to revise the law in this respect to set forth a schedule of information that will be asked for, to fix penalties for non-compliance with the demands of the provincial government and to provide for timely publication of the reports supplied. If this is carried, investors will have available as valuable a summary of municipal finance as is obtainable yearly from such provinces as Saskatchewan, British Columbia and Nova Scotia.

Change Sinking Fund Requirements

There will be no other changes in the Municipal Debentures Act, it is planned, of which an interesting one will be a tightening up of the requirements for sinking fund investments. Consideration may be given to some plan to make assessments bear a better relation to real property values. At the present time municipal assessments in most municipalities of New Brunswick are greatly below the actual values of the properties assessed.

The very soundness of New Brunswick town, city and county debentures has in the past prevented any great inquiry into the finances of the municipalities. The security has been recognized as ample and there has been a good market for such as have come on the market. One factor that has prevented trouble has been the requirement that municipal issues must be approved as to legality by the Comptroller-General of the province. If approval is not first obtained to the issue it is not considered a legal obligation of the town.

This law was responsible for a rather amazing occurrence the other day. A bond house offered to the province a municipal issue for its sinking fund. The official charged with investing for the province's sinking fund is the same official who gives his O.K. to municipal bond issue. The bonds offered to him had never come before him and he told the bond salesman that the issue he was offering was illegal. Needless to state the bond house is taking steps to make the municipality complete the legal requirements in connection with the issue.

B.C. REASSESSMENTS REDUCED ONE-FIFTH

Compromises Between Representatives of Finance Depts. and Companies Concerned

CRANBROOK.—Aggregate claims of about $100,000 against seven lumber companies in the Cranbrook district, for income and personal property taxes alleged to be due on reassessments made covering the last seven or eight years, have been reduced, by settlement out of court, or by Judge J. R. Brown, presiding over the court of revision, by a total of $21,145. In the greater number of cases the representative of the provincial finance department, and the companies compromised, submitting their settlements to the judge for ratification. In other cases the judge, after hearing evidence, handed down a finding. In every case there were reductions from the government's claims.

In one case, that of the British Columbia Spruce Mills, Ltd., of Lumberton, the point was raised as to the deductions to be made from net profits on account of payments made in the way of dividends to persons outside the province. The company had interpreted the act as allowing of such deductions being made before arriving at its income for tax purposes, but the government claimed the right to tax the entire amount. The company's contention was supported in so far that the judge ruled that to collect these sums the government would have to get them from the parties concerned, under separate returns. This company, which is a close corporation, represents Michigan and Wisconsin capital.

The reductions granted were: Cranbrook Sash and Door Co., $100; East Kootenay Lumber Co., $332; Crows' Nest Pass Lumber Co., $5,628; Jewell Lumber Co., $241; Baker Lumber Co., $2,398; Otis Staples Lumber Co., $4,444; British Columbia Spruce Mills, approximately $8,000.

Appeals of two firms in other lines were also heard, the extra tax claim against the Cranbrook Brewing Company being reduced $131, and that against the Fink Mercantile Company of Cranbrook, by $268.

Better Water System Cuts Firm's Insurance Rates

From Our Own Correspondent

MONTREAL.—The fire insurance rates on risks in the town of Grand'Mere have been revised and a decidedly lower rate now prevails.

The reduction in the rates was brought about by the improved water system in the town, which has resulted in an increase in pressure at the hydrants, and as a consequence, the use of the fire engine, except under special circumstances, is no longer necessary. The new water system was in effect, the gift of the Laurentide Company to the town.

Municipalities, when contemplating improvements to their water systems, can figure on definite return to the ratepayers in lowered insurance rates just as soon as the underwriters agree that the improvements will help in the fighting of fires.

MAISON RENE-T. LECLERC INC. 1901

We deal in—

United Securities 6% Preferred Shares.	
C.P.R. 4½'s	1944
Bell Telephone 5's	1955
Belgo Paper 6's	1943
Belgo Paper 7% Preferred Shares.	
Quebec Power 6's	1953
Quebec Railway 5's	1939
St. Maurice Power 6½'s	1953
Wayagamack 6's	1951
Montreal Tram-Power 6's	1929
Montreal Public Service 5's	1942
Windsor Hotel 6½'s	1943
Laurentide Power 5½'s	1946
Cedar Rapids 5's	1953
Montreal Tramways 5's	1941

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7% First Mortgage Bonds
Denominations:
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Principal and interest payable in Canadian or American Funds at the option of the Holder.

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BONDS-INSURANCE-ESTATES
APPRAISALS & FARM LANDS
CALGARY,
ALBERTA.

POOL PRICE NOW $1.35

As a result of the recent interim payment of 35 cents a bushel by the prairie wheat pool, initial payments on all pool wheat delivered to the pool after March 16 will be $1.35, the amount paid to date on all deliveries.

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$81,000,000.00
Policies Issued from $1,000 to $5,000
G. E. BAILEY, Secretary
W. H. HUNTER, President
G. R. COTTRELLE, Treasurer

1870 FIFTY-FIVE YEARS YOUNG 1925

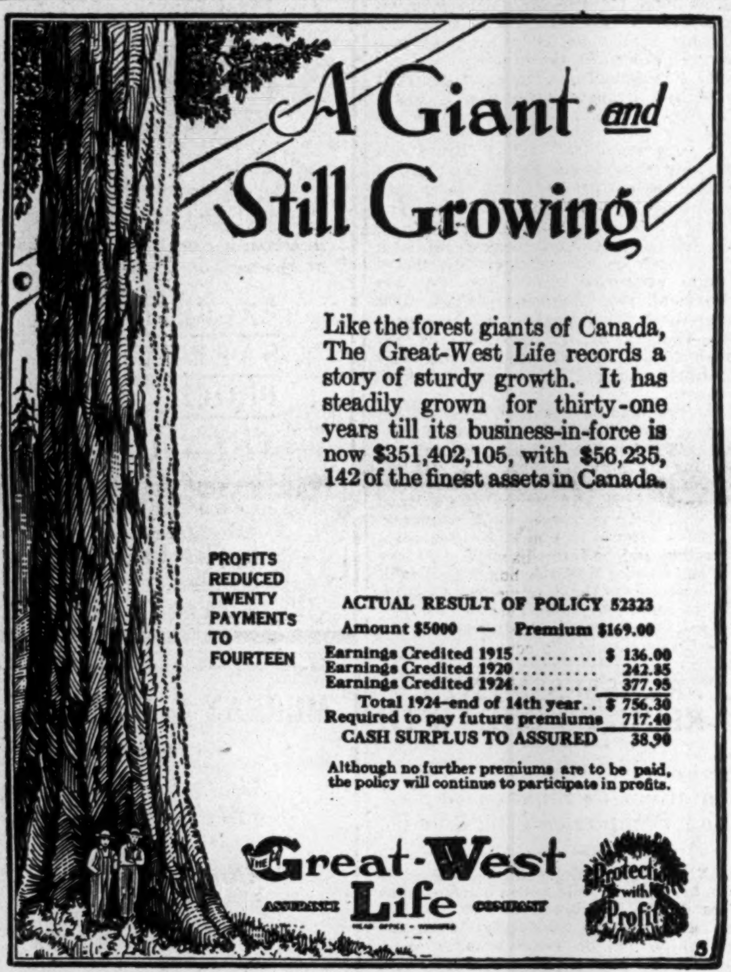
A life insurance company that is successful grows more vigorous year by year. "Advancing Age" in such an organization presupposes increasing strength, enterprise and activity. In that sense the Mutual of Canada will be literally fifty-five years young on March first next. It was on that date in the year 1870 that the office was opened. The dividends from year to year have surpassed expectation. The payment of these profits has been made possible by careful selection of risks, sound and remunerative investments, favorable mortality and economy in management. The Mutual is better prepared to-day than ever before to give its members maximum protection at minimum cost. The past year has proved a year of magnificent results.

BE A MUTUALIST

and share in the wonderful prosperity of this unique Canadian company.

The Mutual Life Assurance Company of Canada, Waterloo, Ontario.

Splendid Opportunity for
LIFE INSURANCE SALESMEN
with organizing ability. Preferably 30 to 40 years of age. To appoint and assist resident agents. Salary, travelling expenses, and commission. Full particulars as to qualifications and references requested with applications.
THE MONARCH LIFE ASSURANCE CO.
M. B. Farr, Superintendent Eastern Agencies,
602 Temple Building, Toronto.



Like the forest giants of Canada, The Great-West Life records a story of sturdy growth. It has steadily grown for thirty-one years till its business-in-force is now $351,402,105, with $56,235,142 of the finest assets in Canada.

PROFITS REDUCED TWENTY PAYMENTS TO FOURTEEN

ACTUAL RESULT OF POLICY 52323
Amount $5000 — Premium $169.00
Earnings Credited 1915.......... $ 136.00
Earnings Credited 1920.......... 242.85
Earnings Credited 1924.......... 377.95
Total 1924–end of 14th year.. $ 756.30
Required to pay future premiums 717.40
CASH SURPLUS TO ASSURED 38.90

Although no further premiums are to be paid, the policy will continue to participate in profits.

The Great-West Life Assurance Company

Canada Permanent Mortgage Corporation
QUARTERLY DIVIDEND

Notice is hereby given that a Dividend of THREE PER CENT. for the current quarter, being at the rate of
TWELVE PER CENT. PER ANNUM
on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable
WEDNESDAY, THE FIRST DAY OF APRIL
next, to Shareholders of record at the close of business on the Fourteenth day of March. By order of the Board.

WALTER F. WATKINS,
Secretary.
Toronto, February 18th, 1925.

THE NEW
PEERLESS POLICY
A CONTRACT OF GUARANTEES
GUARANTEES The payment of the face value of the policy at death or maturity.
GUARANTEES Double the amount of the policy if you die by accidental means.
GUARANTEES A Monthly Income and waiver of premiums during Total and Permanent Disability.
GUARANTEES The Actual Definite Amount of profits at the end of a selected period.
GUARANTEES That if extra profits are earned you will receive them.
GUARANTEES That if you die before the end of the selected period a cash dividend of a definite amount will be added to the policy for each year it has been in force.
GUARANTEES GUARANTEES
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Head Office - - Toronto, Ont.
Interesting Illustrated Booklet Sent on Request

Insurance for Buyer and Seller

HAS REVOLT AGAINST LUMP SUM POLICY CARRIED TOO FAR?

Insurance Companies Acting as Trustees Face Difficulties, Says Lawyer

Has the revolt against lump sum settlement in insurance gone too far? With the bulk of salesmen to-day advocating monthly income policies, this question, raised by G. W. Cox, general counsel of Hancock Mutual Life at Boston, is of wide interest. Mr. Cox holds that it is not the function of an insurance company to assume the duties of a trustee in the management of a trust estate. Option settlements, he believes, will make trouble. He says that he can see trouble when a long and involved trust agreement, tying up funds in the hands of the company, to be administered for a long series of years, and through all the contingencies resulting from marriages, births and deaths, among a considerable number of beneficiaries. He contended that in the great majority of cases, the lump sum settlement is the only one that should be used and that the interest income is the last of the options to be used. It is still true that at the time of the death of the insured in the great majority of cases the insurance money is needed for immediate use. Aside from the immediately pressing bills occasioned by the death, it is often of the utmost importance, both to the insured's estate and to his beneficiaries, to have the use of the insurance funds to pay off a mortgage or to settle taxes or other obligations of the estate to preserve equities. And in those cases, it would be highly desirable to have a larger insurance fund for these immediate purposes. Moreover, beneficiaries will not complain about insurance companies if they are paid the full amount of their interest in insurance funds immediately or within a few years, while beneficiaries whose payments are doled out in small sums and the principal is deferred until after their death for the benefit of unborn generations are not likely to look with favor upon insurance companies.

Complicated Cases

"For the support of an insured's family it would seem unreasonable to request any annual interest income settlement on a policy of less than $20,000 unless there is considerable other property in the estate of the insured which can be used for this purpose. There is no doubt that in simple cases the advantages of the option settlements given in life insurance policies as compared with testamentary provisions in a will or in a trust are many. But in complicated cases designed to tie up funds for a long term of years and providing for the inevitable contingencies of marriage, birth and death, and often most properly requiring discretionary powers, the best way to do this is under a will or under a real legal trust. It is not advisable for life insurance companies to draft such documents and they cannot afford to administer them.

"The premiums on a policy under which an option settlement is made are the same as on the policy which is settled at death by payment of the face of the policy, and premiums are practically the sole source of expense income to the life company. While it is true that a life company may well carry out optional settlements simple in character and of not too long duration as an incidence of its general business, this will not be possible in the case of involved settlements in the nature of trusts.

"It is the business of life companies to create funds for estates, not to administer them under wills or trusts. Insurance is a collective matter and cannot be local with safety. The trust is individual and is preferably local. The trust needs personal acquaintance and often discretion. The return of the fund to the home of the insured will stimulate the formation of new estates through insurance, and will relieve the company of a burden. The reserves of life companies are increasing rapidly and the burden of their investment and safe keeping is quite enough. These reserves are all live funds and necessary for the group, and there is no good to be gained by adding to them funds, in effect, held by the dead hand for individuals."

APPOINTED MANAGER

MONTREAL.—W. J. Brown has been appointed manager of the new up-town branch of the Mutual Life of Canada.

PRESIDENT MONTREAL LIFE

MONTREAL.—Arthur P. Earle, A.I.A., A.A.S., who was formerly the vice-president and general manager of the Montreal Life Insurance Company, has been elected president and general manager.

Quebec Agents Asking For Changes in Law

Quebec insurance agents have asked Premier Taschereau to amend the Provincial Insurance Act, covering the appointment and activities of agents and operations of non-resident brokers. For the larger cities in the province they asked amendments to the law which would protect regular agents against the competition of men connected with corporations who get licenses as agents for the purpose of placing the insurance of the corporations. They suggested the appointment of an advisory board to act with the Superintendent of Insurance in passing upon the qualifications of applicants for licenses, with sole power remaining with the superintendent, however.

It was also pointed out that foreign insurance agents, especially from Boston, came to Canada and picked up quantities of business for outside companies, without paying any license or otherwise paying tax to the provincial treasurer, as the local agents had to do. They suggested that some reciprocal arrangement be made as to this. Quebec, they said, was the only province that had no regulation of the insurance agency field, and they considered this was badly needed, both for the protection of the insurance men and the public. Further they considered that American brokers without offices in Canada should be compelled to do business in this province through some licensed broker.

PAY INTEREST WHILE ADJUSTING CLAIMS

Some Interesting Changes in Insurance Methods of Aetna Company

Aetna Life and subsidiary companies in 1924 showed an increase of $161,000,000 in the amount of insurance written, bringing the total up to $1,967,897,468. In these figures are included $147,986,207 of new group life, a gain here of 56 per cent. Premiums of the Aetna Co. totalled $71,507,293, and with subsidiaries included $116,909,370, an increase of $21,071,392. After taking care of regular and special reserves surplus was increased by $3,216,242. Payment to policyholders totalled $41,086,201.

Discussing some changes in the agencies organization, Morgan B. Brainard, president, voices the interesting opinion that the writing of accident and health business in conjunction with life lines, through the same organizations has proved effective. Another new plan of the company is to pay interest on all claims from date of death to actual date of settlement. In this connection Mr. Brainard says it is realized that many times a delay occurs in settlement of a death claim or endowment policy which is chargeable only to peculiar circumstances over which neither the company nor payees have control. Another plan is to draw policies in the simplest and most direct language and on this subject Mr. Brainard says that policies in the past have been constructed with lengthy legal phrases and involved clauses common to many contracts. He believes that simplification will encourage perusal by the insured anl result in better understanding. He sees the possible advantage of preventing lapses if the policyholder grasps the advantage of his insurance plan. Another change will be to charge interest on policy loans at the end of the year instead of advance and the charge for payment of premiums monthly has been cut from 6 to 5 per cent.

Casualty and Surety Total Jumps Rapidly

The growth in casualty and surety insurance is well shown by New York state figures. In 1913, 62 companies' net premium writings amounted to $122,430,764; combined assets $169,773,657 and capital $43,100,000. At the beginning of 1924 there were 70 companies, premium writing $442,060,646; assets $63,259,564; capital $98,734,000. While the most pronounced growth in premium volume has been in the liability and workmen's compensation departments, other casualty lines as well as fidelity and surety business have expanded in a very marked degree.

LIFE UNDERWRITERS GROW

MONTREAL.—The interest in the life underwriters' movement is increasing in this province. Recently a new branch of the association was formed at Three Rivers, while branches are being formed at Thetford Mines and at Chicoutimi. In Nova Scotia, too, more interest is being shown, and there are movements on foot to organize the life insurance men at Yarmouth and Truro.

CROWN LIFE EXTENDS

In accordance with a policy of steady expansion of its field force the Crown Life Insurance Company is opening agencies in additional Central American states. The general manager, H. R. Stephenson, is now on extended trip to Cuba, Bermuda, Jamaica, Porto Rica and other points, during which he will visit existing agencies and open some new ones.

SUN LIFE COMPANY'S LARGE INVESTMENTS

Have Passed the $274,000,000 Mark—An Interesting List

From Our Own Correspondent.

MONTREAL. — Investments of Sun Life Assurance Co. have passed the $274,000,000 mark. The proportions in which the assets are divided amongst the various types of security is shown in a statement just issued. It is noted that the market value of the securities surpasses the book value by over $14,000,000. The list follows:

	Book Value	%
Bonds—		
Government	47,189,148	16.8
Municipal	22,832,909	9.1
Rails	4,999,821	2.
Navigation	382,194	.2
Public Utilities	32,914,852	13.2
Telephone & Cable	1,074,515	.4
Industrial	17,293,671	6.9
Secured by 1st mortgage on real estate...	4,590,842	1.8
Preferred Stocks—		
Rails	55,134	....
Public Utilities	7,305,482	2.9
Telephone & Cable.....	387,363	.2
Industrials	5,081,993	2.
Common Stocks—		
Rails	155,433	.1
Public Utilities	11,375,894	4.5
Telephone & Cable.....	7,658,514	3.
Industrials	10,236,309	4.1
Banks & Trust Companies	618,505	.3
Loans on Collateral	980,000	.4
1st Mort. on Real Estate	22,489,260	9.
Real Estate Owned.....	6,953,964	2.8
Loans on Policies......	37,411,365	14.9
Nonforfeit. Indebtedness.	5,597,911	2.2
Cash	2,550,726	1.
Res. and am't. due by other companies	446,485	.2
	250,582,840	100%
Excess of market values over book values	14,351,683	
Outstanding Prem., accrued int.—other non-ledger assets	9,195,885	
	274,130,408	

The Canada National Fire Reports Satisfactory Year

In spite of the adverse conditions faced by fire insurance companies in Canada during 1924 and the resulting high loss ratios, a satisfactory statement of operations was submitted to the shareholders of the Canada National Fire Insurance Company at the annual meeting in Winnipeg. The gross amount of new business written in Canada was $17,152,099 and the gross premium income of the company totalled $981,949, while reinsurance premiums were $88,628. The business in force in Canada at the close of the year amounted to $36,395,570 and re-insurance $9,826,533, leaving net insurance on Canadian business at $26,568,937.

The loss ratio for the year was 58.82 per cent. as compared with an estimated average for all companies in Canada of 68 per cent. The report points out that the business of the company in Great Britain has been developing rapidly in recent years.

The total assets on December 31, 1924, were $3,068,846. These were made up principally of the following mortgage loans on real estate, $1,579,456, stocks and bonds, $289,631, head office building, $329,519, other real estate, $521,876, and balances due from foreign companies, $255,305. The liabilities, exclusive of capital stock and surplus, amounted to $832,314, of which the principal items were, reserve for unearned premiums, $433,630 and contingent reserve fund, $200,000. The paid-up capital stock was $1,894,009 and the surplus, $342,523.

The revenue for 1924 consisted of $1,070,619 brought forward from 1923, $115,260 profits on mortgages, etc., and net insurance premiums, after deducting those for re-insurance, $893,320. The general expenses were $406,221 and the net losses, less re-insurance, totalled $790,537. The president, F. H. Alexander, expressed the opinion that the outlook for the future was better than for many years.

BRITISH AMERICA ASSURANCE

During the past year British America Assurance Co. had a total of premiums, re-assurances, etc., of $2,923,993 and the losses, less recoveries totalled $1,608,950. After commissions, taxes, etc., the credit balance remained at $64,051. The company during the year increased its surplus to policyholders of $403,699. The net result of the company's trading operations, including income from interest, is a credit balance of $151,430. President W. M. Cox stated to shareholders that the position of the company has been strengthened materially, as a result of the adoption of the plan of re-financing and re-organization adopted more than a year ago.

ENDORSES PROPOSAL OF REINSURANCE

SASKATOON.—Action of the executive of the Saskatchewan Municipal Hail Association in securing reinsurance with Lloyd's in order to protect the association against heavy loss in the event of a bad hail year, was entirely endorsed at the convention of this company here the other day. A resolution suggesting that there be an extension of the privilege of additional insurance without the association, met with defeat after some considerable discussion.

The Record of Fire Losses in Canada

Place	Property	Date	Loss	Insurance	Cause
	Nova Scotia				
Middleton, C. B.	Church & Ward Store		25,000	partial	lamp
	New Brunswick				
Woodstock	St. Gertrude's R. C. Church.....	Mar. 3	$50,000	$25,000	wiring
Hammondville	Wm. Kiely, store & res.......	Feb. 20	heavy	partial	......
St. John	Standard Creamery bldg.	Feb. 21	7,000	12,000	unknown
St. John	J. Paddock, res.	Feb. 23	3,000	partial	unknown
	Quebec				
Iberville	Marist School bldg.	Feb. 27	25,0000	......	......
Montreal	Danford Bros. factory	Mar. 9	heavy	......	......
	Ontario				
Toronto	Northern Life Ins. Co., office bldg.	Mar. 2	7,000	......	......
Strathroy	Wright Piano Co., bldg...........	Feb. 23	5,000	partial	unknown
Toronto	First Ave. Baptist Church bldg....	Mar. 4	125,000	70,000	unknown
Sault Ste. Marie	Grandview Hotel bldg., Soo Furnishings Co., store	Mar. 4	50,000	35,000	......
Toronto	C. M. Day, res.	Mar. 4	1,700	......	......
Prescott	Mrs. J. Kingston, barn and cont....	Mar. 5	heavy	......	......
Chatham	Union Natural Gas Co., bldg.......	Feb. 21	1,000	......	......
Ottawa	St. Victor's Church	Mar. 9	90,000	30,000	......
Lancaster	A. J. McDonald, store	Mar. 5	18,000	partial	......
Campbellford	Hydro Electric offices	Mar. 5	1,200	partial	unknown
Ft. William	Sam Wilson, residence	Feb. 27	1,800	partial	......
Cyrville	R. Moreau, residence	Feb. 25	1,200	partial	stove
	Manitoba				
Winnipeg	F. Bodna, res.	Feb. 20	1,200	partial	......
Winnipeg	Transcona bldg. offices, A. H. Davis' store	Feb. 26	8,000	4,000	unknown
	Saskatchewan				
Assiniboia	Rink and contents..............	Feb. 26	6,000	3,000	......
	Alberta				
Vidora	J. Stoley, store	Feb. 19	20,000	partial	unknown
	British Columbia				
Nanaimo	J. Christie, store	Feb. 17	8,000	......	unknown
Merritt	J. Brown, res.	Feb. 20	heavy	partial	unknown
Nelson	C. Ledhert, res.	Feb. 23	heavy	partial	unknown

THE
CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, CANADA
TOTAL ASSETS $2,928,337.62
TORONTO, 24 Adelaide St. W.
W.H. GEORGE
Superintendent of Agencies

The Menace of Petty Theft

Burglary, porch-climbing, sneak-thieving, threaten every man's goods. Are you using insurance—the method provided by modern business—to protect yourself against this menace?

Our policies secure against all loss.

THE
BRITISH AMERICA ASSURANCE COMPANY OF TORONTO
ESTABLISHED 1833

Armour & Company

one of the largest meat packing concerns in the world, have set the pace in that industry since the Civil War.

An army of employees, 60,000 strong, pin their faith and future to the continued success of Armour and Company.

Over 38,000 of these employees have purchased approximately $7,000,000 of the Preferred Stock of Armour and Company. There are over 80,000 stockholders.

In round figures net sales of Armour and Company in 1903 amounted to $177,750,000. In 1924 these sales were in excess of $800,000,000.

Armour and Company Class "A" Stock, offered at $28 a share to yield over 8 per cent, should interest investors.

Full descriptive circular on request

JOHNSTON AND WARD
Canada Trust Bldg., 14 King St. East, TORONTO
Members: Montreal Stock Exchange
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We own and offer:
$25,000.00
Lethbridge Northern Irrigation District
GUARANTEED BY THE PROVINCE OF ALBERTA.
6% Coupon Bonds, due 1 May, 1951.
Principal and half yearly interest payable, Toronto, Montreal, New York.
A Sinking Fund is provided to retire the complete issue by maturity.
PRICE: 110.65 to yield 5.25%
MACKAY - MACKAY
306 C. P. R. Building, Toronto

Public Utility to yield **7.60%**

Send for special circular "CBE," describing a First Mortgage 5% Public Utility Bond due in seven years, which we are selling at 86 and interest.

During the last 20 years the earnings of this Company have increased about 300%.

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CHURCH INSURANCE CO.

Following a decision reached by the synod at London last year, application is now before Ontario legislature to authorize organization of Anglican Church Mutual Fire Insurance Corp.

NEW HEAD FOR MERCHANTS CASUALTY

The Merchants Casualty Company, Waterloo, has filled the position of general manager, left vacant by the recent resignation of L. M. Fingard, by appointing to that position, R. J. McGowan, who for the past fifteen years has been an officer in the head office of the Employers Liability Assurance Corporation at Toronto. The directors of the Merchants Casualty Company feel themselves particularly fortunate in being able to announce Mr. McGowan's acceptance of the management of the company, and are confident that it will greatly strengthen the company in the insurance field.

The directors announce also the addition to the board of Charles A. Boehm, of Waterloo, who has been elected vice-president, and will take an active part in conjunction with Mr. McGowan in the conduct of the company's affairs.

The board now consists of Edward F. Seagram, president; Charles A. Boehm, vice-president; and Aloyes Bauer, James C. Haight, K.C., William Henderson, J. A. Martin, T. W. Seagram and James Valentine.

CANADIAN WOOLLENS PROSPECTS BETTER

Improved Conditions Give a More Hopeful Aspect to Preferred

From Our Own Correspondent

MONTREAL. — Canadian Woollens common has shown an advance of about five points during the past few weeks and is now selling at around 12. This rise has been due to the general improvement in business and to the position of the company which is beginning to show more strength. Other woollen manufacturers are experiencing better business and it is but natural that Canadian Woollens should benefit, too. At its present level of about 12, it would seem that the market has discounted well in advance the better earnings which it is expected the company will show at the end of their year in June, for even admitting a much improved earning power, at the present moment the arrears on the preferred stock amount to about 18 per cent.

The company has no bonds outstanding and its preferred stock is being retired through a sinking fund which has been established for this purpose, so that gradually the common shareholder's position is being improved. The common stock issued is $175,000 and the preferred issued stands at $1,660,700.

The company commenced operation in 1919 and in 1920 showed earnings of 17 per cent. on the common. Two quarterly payments at the rate of five per cent. were made, but due to the slump in business these were discontinued and no dividends have been paid since. For the last two years there has been a deficit.

The present situation of the raw wool market has a bearing on the operations of the company. Due to a world shortage in the production of wool, prices are high and it is predicted that there will be no drop in price, at any rate, for some time to come. In common with other manufacturers of wool, Canadian Woollens are well supplied with their raw material requirements for some time to come. Stocks on hand are large, whilst additional supplies have been contracted for by the companies, but yet, because of the keen competition in this field, the woollen companies have not sold their materials at the higher price which the increased cost of the raw material is said to warrant. In fact it is said, that higher prices to the consumer will not prevail for some months. For the future, higher prices will be obtained for the finished product, with because of these higher prices, a necessarily lowered buying-power on the part of the public. This is one of the troubles of the trade at the present time; but for the expected continued high price of raw wool, they might participate more easily in the generally improved conditions of 1925.

Despite this adverse side of the question, Canadian Woollens are making better strides, which, if continued, should at least make things look more hopeful for the preferred shareholder, if not for the holder of the common, at the next annual meeting in June.

The company owns three mills: the Standard Woollen Mills at Toronto, the Bonner-Worth and the Auburn Mills at Peterboro. The machinery has been removed from the Toronto mill to Peterboro, and it is possible that this plant may be sold. The two mills at Peterboro are in operation; the Bonner-Worth makes the yarns and the Auburn mill weaves tweeds and other types of woollen textiles.

IMPERIAL OIL AND INT. PETE STRONG

Dividend Rate of Former Now on Basis of $4 for Old Stock

In addition to maintaining a dominating position as a distributor of oil and gasoline in Canada, Imperial Oil has important producing assets through the operations of its subsidiary, the International Petroleum Company, in Peru and Colombia, South America. During the difficult year, 1924, results of Imperial Oil operations were moderately satisfactory, but its income was swelled by revenues from its subsidiary. Apparently, consumption of crude oil and gasoline has overtaken supply in the United States. Prices have advanced and further appreciation is anticipated this year. The oil stocks as a group should do better. Imperial Oil paid $3 in dividends per share in 1924 on the old $25 par value stock, while the payment on March 2 of a quarterly dividend of 25 cents per share on the split stock, indicates $1 annual basis, or equal to $4 per share on the old stock, say Watt and Watt.

International Petroleum Co., through the operation of its Peruvian concessions and in Colombia of its subsidiary, Tropical Oil, has become a large producer of petroleum and gasoline and will in the near future become a more important factor in the industry. The company increased output in the Peruvian field in 1924 and added materially to the area available for drilling. Last year 80 new wells were drilled and production totalled 6,476,661 barrels, an increase over 1923 of 1,839.549 barrels. A ready market is available and the outlook for these fields is very favorable. In the Colombia field 17 wells were drilled in 1924, and with 32 wells now flowing the daily output is 13,000 barrels, or at the rate of 4,745,000 barrels per annum, the latest well reported brought in, producing 5,000 barrels per day. Eleven more wells are nearing the producing sands and preparations are being made to drill 56 other wells. Thus the combined output of Peruvian and Colombian fields should soon be far in excess of the present annual rate of approximately 12,000,000 barrels. The construction of a pipe line from the Colombia field to Atlantic seaboard, already financed, will give the company distinct advantages in supplying various consuming markets. International Petroleum paid dividends of 75 cents per share on the no par value stock in 1924. In view of the company's rapid growth as a producer and improved market conditions, there is reasonable assurance that $1 per share will be paid in 1925.

LIFE UNDERWRITERS' LUNCHEON

MONTREAL.—Professor Griffin M. Lovelace, director of the School of Life Insurance Salesmanship, University of New York, was the guest of honor at a luncheon held by the Life Underwriters' Association of Canada here last week. Professor Lovelace gave an address on old-fashioned fundamentals in life insurance selling. George H. Harris, Sun Life Assurance, also spoke. A clock was presented to W. J. Brown, past president of the association.

LAURENTIAN IS LICENSED

A license has been issued to the Laurentian Insurance Company, authorizing it to transact in Canada the business of fire insurance. A. J. Hart, Montreal, Que., has been appointed chief agent in Canada.

ONLY $2,000 IN LOSSES

Much satisfaction is exhibited by the management and directors of the Empire Life Insurance Company in the record of the company in having death claims of only $2,000 during its first two years of operation. The company reports $2,000,000 of business on the books and while the losses in the early years of a life insurance company's existence are not expected to be large the record in this case is exceptionally favorable. The selection of risks is largely in the hands of the medical referee, Dr. H. C. Parsons, M.A., M.D., M.R.C.P. The president and managing director of the company is M. P. Langstaff.

OPENS OWN OFFICES

MONTREAL.—L. W. O'Donnell, formerly with the Imperial Life and more recently manager for Montreal of the Dominion Life, has opened an office here where he will conduct a general life insurance business. Mr. O'Donnell was last year secretary of the Life Underwriters' Association of Montreal.

ROGERS' EARNINGS SHOW FALLING OFF

Final Payment Under Guarantee to Canadian Concern Made

Wm. A. Rogers 1924 earnings totalled $137,632 compared with $380,381 the previous year. Pres. S. J. Moore says, business generally was not good. The first three months were encouraging, but a decided recession occurred during the early spring and continued for the greater part of the year. Plants were necessarily run on reduced hours, with the result that the profits are below those of 1923. The improvement which began toward the close of the year has continued, and he looks for more favorable results in 1925.

Appropriations totaled $269,420, necessitating the drawing on surplus account for the sum of $131,787. Shareholders, however, can derive satisfaction from the fact that $39,298 of this amount was on account of arrears in the preferred dividend and $35,000 constituted the final payment under the company's guarantee to Canadian Wm. A. Rogers, Limited. Surplus account at the end of the year stood at $83,495 against $215,283 at the end of the previous year.

The balance sheet indicates a reduction in working capital which amounted to $1,753,773 at the end of 1923, and $1,563,238 at the end of the year under review.

A comparison of the principal items of the balance sheet for 1921 with that of 1923 follows:

	1924	1923
Total assets	$4,768,817	$4,949,091
Current assets	2,143,805	2,427,207
Current liabilities	580,567	673,434
Net working capital ..	1,563,238	1,753,773
Receivables	453,629	590,189
Cash	196,582	187,657
Inventories	1,493,594	1,649,363
Payables	552,293	644,160
Fixed assets	2,582,562	2,463,857
Funded debt	345,000	385,000

PT. HOPE SANITARY PROFITS ARE DOWN

Company Has Reduced Goodwill and Lease Account to $100,000

Port Hope Sanitary profits for the 1 months ending Jan. 31, $181,928, fell below the total of the year previous o $198,407. Out of this the company provided $53,180 for depreciation, $12,931 tax and $106,625 written off. Goodwill, leaving a net of $23,369, as compared with $29,141, for 1924. A surplus of $49,829 was brought forward from previous year's account and out of this dividends on the preferred stocks were paid amounting to $19,524, reducing the surplus to $30,305. The addition of the year's net profits brought the surplus carried forward to $53,674.

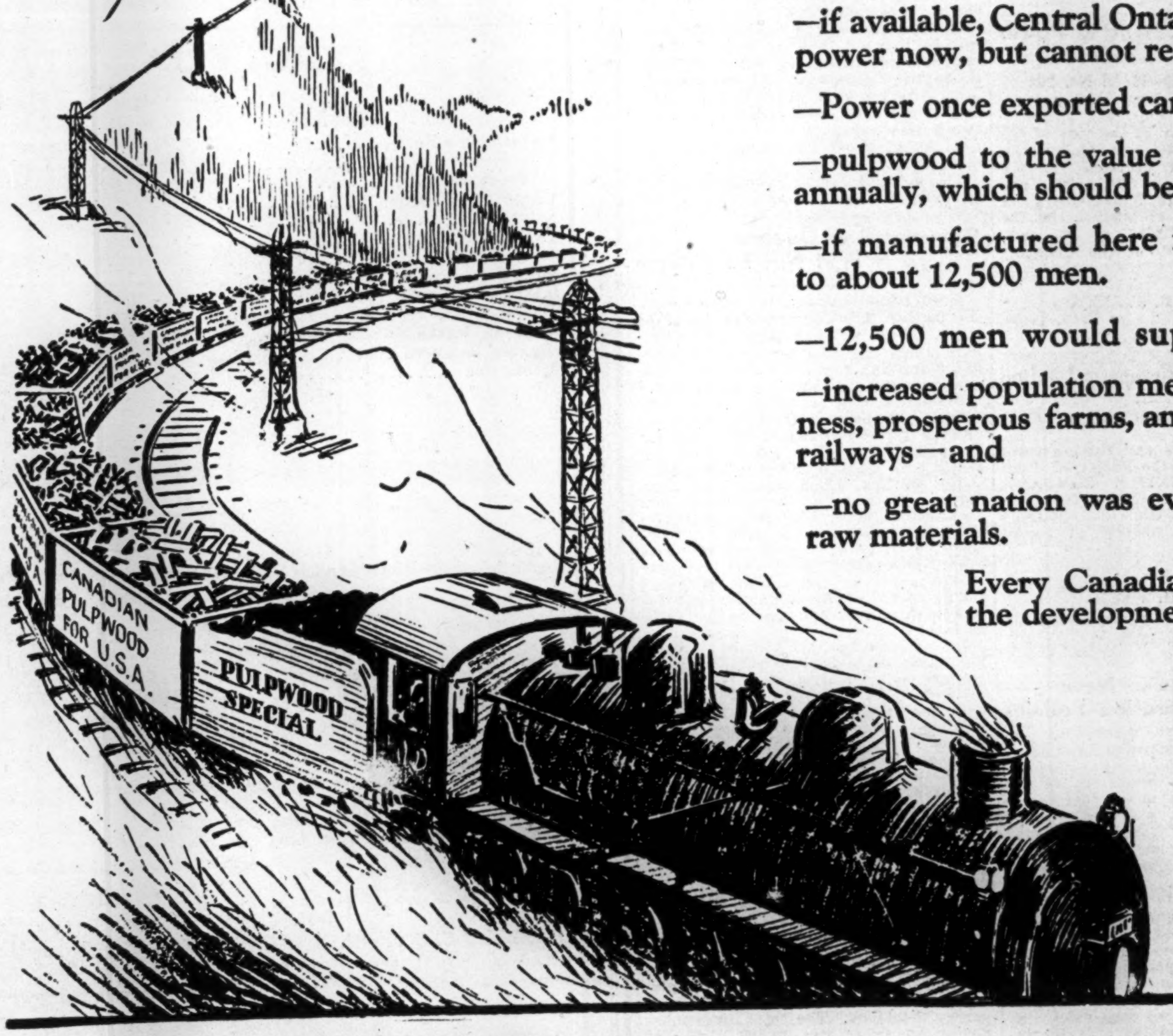
Good will and leases have been written down now to $100,000. The company reports a falling off in the sales of enamelware during the year because the demand for housing accommodation in some sections of the Dominion has been fairly well satisfied. The reduction in sales, however, was not great. Although there are no indications that the current year will bring any great demand for houses, it is not unreasonable to expect that the volume of business done last year will be fairly well maintained. Some sections of the country appear to have improved their position and may, therefore, require larger quantities of enamelware than has been the case in the past year or two.

DISPUTE OVER OVERSHOE DESIGN

Kaufman Rubber Co., Kitchener, Ont., has instituted a suit in the Exchequer Court against the Miner Rubber Co., Montreal, with factory at Granby, Que., alleging that the latter firm has infringed a design for overshoes which was registered under the federal Industrial Designs Act.

Why Canada should prohibit the export of Power and Pulpwood

Because our people are following Canadian raw materials south



Because—

—one-sixth of our electric energy now used is exported, supplying our competitors with cheap power.

—if available, Central Ontario could use that exported power now, but cannot recall it.

—Power once exported cannot be recalled.

—pulpwood to the value of $13,500,000 is exported annually, which should be manufactured here.

—if manufactured here it would give employment to about 12,500 men.

—12,500 men would support a large city.

—increased population means to Canada better business, prosperous farms, and increased freight for our railways—and

—no great nation was ever developed by exporting raw materials.

Every Canadian should be interested in the development of Canada FIRST.

This advertisement is published by us solely because of our interest in the development of Canada's Natural Resources for Canadians.

A copy of our "March Investments," which contains further information on this subject, will be mailed to you upon request.

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NESBITT THOMSON & COMPANY Limited

305-7 Bank of Hamilton Bldg., TORONTO

MONTREAL HAMILTON WINNIPEG LONDON, Ont.

Township of Barton

DEBENTURES FOR SALE

Sealed tenders marked "Tenders for Debentures" and addressed to the Reeve of the Township of Barton, Court House, Hamilton, will be received up to 5 o'clock p.m. on Monday, the 16th day of March, 1925, for the purchase of $12,408.78 ten-year 5½% straight term bonds, for the purpose of paying the cost of roads and sidewalks constructed under the Local Improvement Act in 1924.

The interest is payable half-yearly and the principal at the end of the term.

The highest or any other tender not necessarily accepted.

SIDNEY G. SIMS,
Clerk of the Township of Barton.

BELGO CANADIAN PAPER COMPANY LIMITED

Preferred Shareholders
Dividend No. 7

Notice is hereby given that a Dividend of 1¾% for the three months ending March 31st, 1925, being at the rate of 7% per annum on the paid up Preferred Stock of this Company, has been declared and that same will be paid on the 1st day of April, 1925, to Shareholders on record at the close of business March 12th, 1925.

By order of the Board.

A. DEHAUFFE,
Secretary-Treasurer.

Montreal, March 3rd, 1925.

Dominion Power and Transmission Co. Limited

Notice is hereby given that Dividend No. 54 at the rate of seven per cent. (7%) per annum on the Cumulative Preference Stock of this Company has been declared for the three months ending March 31st, 1925, and that the same is payable on April 15th, 1925, to Shareholders of record on the 31st day of March, 1925.

The Transfer Books for the Preference Stock of the Company will be closed from the 23rd day of March, 1925, to the 31st day of March, 1925, both days inclusive.

By Order of the Board of Directors.

WM. C. HAWKINS,
Secretary.

Hamilton, Ont., 8th March, 1925.

BELGO CANADIAN PAPER COMPANY LIMITED

Common Shareholders Dividend No. 2

Notice is hereby given that a quarterly Dividend of 1½% has been declared on the Common Stock of this Company, and that same will be paid on the 11th day of April, 1925, to Shareholders on record at the close of business March 31st, 1925.

By order of the Board,

A. DEHAUFFE,
Secretary-Treasurer.

Montreal, March 3rd, 1925.

The Trinidad Electric Company, Ltd.

Notice is hereby given that a dividend of 1¼% for the quarter ending March 31st, 1925, on the Capital Stock of the Company has been declared.

Warrants will be issued and mailed to the address of each shareholder and are payable at the Royal Bank of Canada, Halifax, N.S., on and after the 10th of April, 1925.

The transfer books of the Company will be closed from the 1st to the 10th of April, 1925, both days inclusive.

By order of the Board.

F. B. OXLEY,
Secretary.

QUEBEC POWER COMPANY

Notice is hereby given that a dividend of One and three-quarters (1¾%) per cent. has been declared on the Seven (7%) per cent. Cumulative Preferred Stock of the Company for the quarter ending March 31st, payable April 15th, to shareholders of record March 31st, 1925.

By order of the Board.

JAMES WILSON,
Secretary.

Montreal, March 6, 1925.

The Toronto General Trusts Corporation

Dividend No. 115

Notice is hereby given that a dividend of three per cent. (3%) has been declared upon the paid-up capital stock of this Corporation for the quarter ending March 31st, 1925, being at the rate of

Twelve Per Cent. Per Annum

and that the same will be payable on and after Wednesday, the first day of April, 1925. The transfer books of the Corporation will be closed from Tuesday, the 17th day of March, until Tuesday, the 31st day of March, both days inclusive.

By order of the Board of Directors.

W. G. WATSON,
General Manager.

Toronto, March 3rd, 1925.

TENDERS FOR DEBENTURES

TENDERS will be received by the undersigned up to Thursday, April 2nd, 1925, for the purchase of the following Debenture issues:

$19,347.00—For construction of Cement walk under Local Improvements, term 10 years, interest 7%. Equal annual payments of Interest and Principal $2,754.58, payable any place or places in Canada. By-law No. 247.

$15,000.00 — For Completion of High School. Term 30 years; interest 5½%. Equal annual payments of Interest and Principal $1,032.06 payable any place or places in Canada or Great Britain. By-law No. 278 Government Guarantee.

$15,729.48—For construction of Cement Walks under Local Improvements. Term 10 years; interest 7%. Equal annual payments of Interest and Principal $2,239.53 payable any place or places in Canada. By-law No. 279.

$67,480.00—For construction of Pavements under Local Improvements. Term 15 years; interest 6½%. Equal annual payments of Interest and Principal $7,176.67, payable any place or places in Canada. By-law No. 280.

$10,000.00—For completion of extension to Public School. Term 30 years; interest 5½%. Equal annual payments of Interest and Principal $688.04, payany place or places in Canada or Great Britain. By-law No. 281, Government Guarantee.

$128,000.00—Water Works Extension. Term 15 years; interest 5½%. Equal annual payments of Interest and Principal $12,752.07, payable any place or places in Canada. By-law No. 284, Government Guarantee.

$72,000.00—Sewer Extensions under Local Improvements. Term 15 years; interest 5½%. Equal annual payments of Interest and Principal $7,173.04, payable any place or places in Canada. By-law No. 285; Government Guaranteed.

TENDERS not accepted for less than the full above-mentioned issues.

Purchaser to arrange and pay for Printing of Bonds.

Any further particulars may be obtained from the undersigned.

TOWN OF TIMMINS,
Per: H. E. Montgomery,
Clerk and Treasurer.

Abitibi Power & Paper Company, Limited

Notice is hereby given that a quarterly dividend of 1¾ per cent. has been declared on the Preferred Stock of the Abitibi Power and Paper Company, Limited, payable the 1st day of April, 1925, to shareholders of record on the 20th day of March, 1925.

By Order of the Board.

W. H. SMITH.
Secretary-Treasurer.

KERR LAKE MINES LIMITED
61 Broadway, New York
DIVIDEND NO. 23

March 10, 1925.

The Board of Directors have this day declared a dividend of 12½c. per share on the capital stock of the Company, payable April 15th, 1925, to stockholders of record at the close of business on April 1st, 1925. Books will not close.

E. H. WESTLAKE, Treasurer.

Ottawa Light, Heat & Power Company, Limited

Preferred Stock Dividend No. 2b

Notice is hereby given that a quarterly dividend of 1⅝% (one and five-eighths per cent.), being at the rate of 6½% per annum, on the Preferred Stock of this Company has been declared for the period ending March 31st, 1925, payable April 1st, 1925, to Shareholders of record at the close of business on the 16th day of March, 1925.

The transfer books of the Company will not be closed.

By Order of the Board.

D. R. STREET,
Secy.-Treas.

Ottawa, March 10th, 1925.

Ottawa Light, Heat & Power Company, Limited

Common Stock Dividend No. 20a

Notice is hereby given that a quarterly dividend of 1½% (one and one-half per cent.), being at the rate of 6% per annum, on the Common Stock of this Company has been declared for the period ending March 31st, 1925, and payable that date to Shareholders of record at the close of business on the 16th day of March, 1925.

The transfer books of the Company will not be closed.

By Order of the Board.

D. R. STREET,
Secy.-Treas.

Ottawa, March 10th, 1925.

Dominion Textile Company, Limited

NOTICE OF DIVIDEND

A Dividend of one and three-quarter per cent. (1¾%) on the Preferred Stock of DOMINION TEXTILE COMPANY, Limited, has been declared for the quarter ending 31st March, 1925, payable 15th April, to shareholders of record 31st March.

By order of the Board,

JAS. H. WEBB,
Secretary-Treasurer.

Montreal, March 3rd, 1925.

Novel Provisions in New Confederation Policies

Among new policies announced recently by the Confederation Life Association as being offered by its representatives is one to be known as the "Peerless Policy." A number of interesting features not previously found are included in it. The policy is issued on the participating plan with a definite amount of profits guaranteed at the end of a selected period. The opportunity for the policyholder to share in further profits beyond this guaranteed amount, if earned, is preserved as well. At the same time if the insured dies before the end of the selected period a cash dividend of a definite amount will be paid for each year the policy has been in force in addition to the face value.

The policy also contains a double indemnity clause which provides for payment of double the face value if death results from an accident. There is a disability clause providing for a waiver of premiums and payment of a monthly income in case of disability. The face value of the policy becomes due at death or maturity.

The company is also issuing a "Family Policy," which is in the nature of a joint policy, specially designed to cover the members of a single family.

C.N.R. 1924 NET INCOME IS BELOW THAT OF YEAR AGO

Deficit on Year's Operation is Estimated as Being $57,300,000

Canadian National Railway's operating income in 1924 was $11,689,794. This is without taking care of fixed charges, which, in 1923, were $65,199,322, and on an estimate of $4,000,000 additional, the deficit would be about $57,300,000. The gross operating revenues were $235,588,182, a decrease of $17,597,000 from those of 1923. The operating expenses were $218,343,931, a decrease of $14,358,907 within the year. This made the net operating revenues $17,244,251, or $3,186,398 below those for 1923. Other expenses in non-operating account reduced the net operating income to $11,689,794, or $1,549,297 below those for 1923.

In the early months of the year the tonnage and gross earnings held well up to the 1923 record, so that by the close of July, gross earnings were ahead of those of 1923 by $206,192, while operating expenses had been reduced by $2,254,730. From September on to the end of the year the traffic was lighter, and the total gross revenues for the year were 6.3 per cent. less than for 1923. The figures follow:

	1924	1923
OPERATING REVENUES		
Canadian Lines ..	$201,224,493	$214,787,207
Duluth, Winnipeg & Pacific	2,176,474	2,361,757
G. T. West. Lines	29,591,984	32,471,522
New Eng. Lines..	2,595,230	3,515,000
Total	235,588,182	263,135,487
OPERATING EXPENSES		
Can'd'n. Lines ...	$189,460,403	$202,936,658
Duluth, Win. & Pac.	1,924,405	2,081,762
G. T. West. Lines.	23,881,316	23,679,714
New Eng. Lines..	3,077,805	4,006,702
Total	218,343,931	232,704,838
NET OPERATING REVENUES		
Can. Lines	$ 11,764,089	$ 11,850,548
Duluth, Win. & Pac.	252,069	279,995
G. T West. Lines	5,710,667	8,791,808
New Eng. Lines Dr.	482,575	Dr.491,702
Total	17,244,251	20,430,649
OPERATING INCOME		
Canadian Lines ..	$ 12,036,882	$ 11,848,593
Duluth, Win. & Pac.	219,833	83,783
G. T. West. Lines.	822,906	2,928,743
N. Eng. Lines . Dr.	1,389,827	Dr.1,622,028
Total	11,689,794	13,239,091

"POWER" AFFECTED BY BILL AT QUEBEC

Taxation of Power Consolidated is Before Private Bills Committee

MONTREAL.—The long expected "electric" storm centring around Montreal Light, Heat and Power Consolidated, and touching in its passage the Montreal Tramways, Bell Telephone, Cedar Rapids Power, Shawinigan Falls and other public utility companies, broke this week at the hearing of the Montreal Bill, before the Private Bills Committee of the Quebec legislature.

Two proposals are before the committee: The first is the one contained in the bill, which provides that the city may impose a surtax on the property situated in streets, lanes and public places belonging to public utility companies, with the exception of the Tramways Company, which pays a special tax.

The second is one proposed by Ernest Tetreau, to the effect that this surtax be limited to a minimum of $300,000 a year, and that the difference between this definite amount and that proposed by the Bill should be left with "Montreal Power" to be used to reduce the cost of gas and electricity to consumers.

In opposition to this latter proposal, it was pointed out that the city of Montreal only required to go before the Public Service Commission and ask them to order a reduction of rates. If that failed, they might then come to the legislature, but it was wrong to ask the legislature to substitute itself for the experts of the commission.

The bill will occupy some days of the committee's time.

Agreement of Quebec Will Not be Broken

MONTREAL.—During the present week the private bills committee of the Provincial House will have before them two bills which are of interest to Shawinigan Water and Power. By means of these two bills the legislature is being asked to break the contract which was entered into in 1895 between the City of Quebec and the Quebec Railway, Light and Power Company. The latter concern has recently been taken over by "Shawinigan."

The contract, which expires next July, between the city and the company, says that the city must either renew the franchise or expropriate the property. The company, it is learned, is content with either alternative, only what the city wishes to do is to have parliament change the agreement to permit another corporation to take over and operate the franchise.

It is regarded as being more than unlikely that the legislature will act in this matter, as it would be the first time in the history of the province that a company had been arbitrarily incorporated to take over a going concern without regard to the rights of the present operating company. Many of the bonds of the Quebec Railway, Light and Power are held in this province and the general opinion expressed is that it is inconceivable that the legislature will pass a law breaking the agreement.

Industrial Accidents in Alberta Decline

Alberta Workmen's Compensation Board in 1924 shows a total number of accidents of 7,382, compared with 9,160 for 1923. Of these 50 were fatal, 69 giving permanent disability and 7,255 temporary disability. The total assessment during the year was $3,593,721.26,- of which $1,539,898 was paid in compensation, and $1,385,529.02 transferred to the pension fund and $32,000 set aside as a reserve in case of a disaster. There is now a balance to the credit of the accident fund of $180,785.49. There is $1,163,351.72 in the pension fund, from which 164 widows and 289 children and 121 pensioners are drawing funds. The number of employers under the operation of the act is 3,262, the number of employees is 39,643, and the total payroll is $55,998,657.97.

A True Business Story

Two business men in Toronto adopted several safeguards for protecting their business.

They installed automatic sprinklers. They bought a cash register and a cheque protector. They bonded their employees. They carried fire policies. They bought an expensive safe. In fact, they adopted nearly every safeguard that they could think of, and felt sure that nothing less than an earthquake could interfere with their progress and prosperity.

Business was good and the bank and the wholesale houses were giving them considerable credit.

BUT SOMETHING HAPPENED!

—something they had not counted on. Pneumonia carried off one of the partners.

And then—the wholesale firms made inquiries as to whether the business was to be continued. The bank asked to have a note taken up at maturity without fail. The widow decided to withdraw her late husband's share of the business. To make a long story short, the business was closed at a loss to the surviving member, a loss to the widow, a loss to the bank, a loss to the creditors, in fact, a loss to all concerned.

The partners had overlooked one of the most important means of protecting their business—A Canada Life Business Insurance Policy.

THE BUSINESS COULD HAVE BEEN SAVED

The spot cash in a business life insurance policy would have cleared off the bank note in full. The widow would have received the value of her husband's share without loss. The creditors would have been satisfied. And the surviving member would have had surplus cash on hand.

It is not worth your while taking chances—Ask for a business insurance proposition today.

Write Service Department

Canada Life
Assurance Company
Head Office - Toronto, Canada

BRITISH AMERICA
ASSURANCE COMPANY
INCORPORATED A.D. 1833

Fire, Marine, Tornado, Sprinkler Leakage, Riots, Strikes, Civil Commotion and Explosion, Automobile, Burglary, Guarantee Accident, Sickness, Plate Glass and Liability Insurance

FINANCIAL STATEMENT
JANUARY 1st, 1925

ASSETS		LIABILITIES		
Government Bonds	$ 959,240.87	Balances due other Companies	$ 295,901.06	
City Bonds	370,400.07	Losses under adjustment	454,025.57	
Railroad Bonds	98,067.00	Sundry items	5,957.10	
Corporation Bonds	418,580.00			$ 755,883.73
Stocks	527,783.00	SPECIAL RESERVES		
Office Furniture and Maps	18,250.00	For Taxes and Contingencies	$ 79,100.00	
Real Estate	120,700.00	For Unreported Losses	15,000.00	
Bills Receivable	421.55			94,100.00
Accrued Interest	20,116.82	SECURITY TO POLICYHOLDERS		
Balances due from other Companies	51,996.03	Unearned Premium Reserve (on Canadian Government Basis)	$1,783,554.89	
Cash in Banks and on hand.......	590,546.33	Surplus to Policyholders	919,183.18	
Agents Balances	376,545.13			$2,702,738.07
Rents due	75.00			
	$3,552,721.80			$3,552,721.80

LOSSES PAID SINCE ORGANIZATION OF THE COMPANY IN 1833..........$57,492,185.66
Capital Stock subscribed and paid up 750,000.

Board of Directors

WILFRID M. COX, President of the Company
SIR JOHN AIRD, Pres. and General Manager, Canadian Bank of Commerce; COL. HENRY BROCK, President, The W. R. Brock Co., Ltd.; ROBERT BICKERDIKE, Montreal, Director, Canada Life Assurance Company; ALFRED COOPER, London, Eng.; H. C. COX, President, Canada Life Assurance Co.; JOHN H. FULTON, President, National Park Bank, New York; D. B. HANNA, President, Western Canada Flour Mills Co., Ltd.; MILLER LASH, K.C., Barrister, of Messrs. Blake, Lash, Anglin & Cassels; T. G. McCONKEY, General Manager, Canada Life Assurance Co.; GEO. A. MORROW, President, Imperial Life Assurance Co.; MAJ.-GENERAL SIR HENRY PELLATT, C.V.O., of Messrs. Pellatt & Pellatt, Stock Brokers; W. D. ROBB, Vice-President, Canadian National Railways; E. WILLANS, Managing Director, Imperial Guarantee & Accident Ins. Co.; E. R. WOOD, President, Central Canada Loan and Savings Co.

Officers

WILFRID M. COX, President and General Manager;
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PETERSEN PLAN IS LOSING FAVOR IN THE COMMONS

Fate of the Proposal is Now Regarded as Uncertain

SUBSIDY UNPOPULAR

Progressives Not Favorable to the Scheme as it Stands — Consideration Felt for the British Shipowners

From Our Own Correspondent

OTTAWA.—The Petersen steamship contract has been very severely criticized in the discussion in the House, and it is quite generally agreed that its fat is uncertain. The Progressives have not rallied to its support in the way that had been expected, the action of the Canadian Council of Agriculture in condemning the principle of shipping subsidies having been quite a blow, especially coming as it has at the present time while the bill is before the House.

The Progressives know that ocean rates are much higher than they used to be; indeed, some of them think they are too high, but they are not convinced that the Preston report has dealt with the subject in the proper manner. They are not carried away with the government's shipping policy as are Liberals, who consider the latter from the political standpoint. What the Progressives want are results, and they would be much better satisfied if a plan had been submitted by shipping experts.

It is impossible to say just yet whether the Conservative amendment submitted by General Clark will carry the House. The probability is that it will not. The Progressives will probably take the ground that it will do good, rather than harm, to have the matters at issue fully aired before a special committee, and there is much to be said for this view.

Consideration for Britain

The argument that parliament should be slow to judge British shipping interests has considerable influence in the House; for it is quite realized that through it the export trade of this country has been very largely built up. There is also a general recognition that through British shipping and the British navy the country was able to do the great export business it did during the war.

This argument, which was used by General Clark, has had effect with the Progressives, for among them there are many who claim the British Isles as their native land. The Western members are generally of the opinion that the export trade in grain has not been handicapped through the existence of the North Atlantic Conference, the fact that 62 per cent. of the grain shipped out of Montreal last year having gone on tramp steamers, being a conclusive argument to them that a combine has not operated. Besides, it has come out that rates on grain, cattle, and sugar, are not fixed by the conference.

Combine Idea Disposed Of

The idea that the North Atlantic conference is chiefly for the purpose of maintaining rates has been pretty effectually set at rest, it having been shown that shipping companies have as much need to get together as have those in other lines of business.

At the close of the war, British shipping was confronted by a very critical situation. Before the outbreak of war, with German shipping, it controlled the shipping field, but when the United States built its fleet a great change came over the situation, for when the American government's shipbuilding operations were over it had over 900 vessels on its hands, the total expenditure for construction having been over three billion dollars.

As an indication of how the situation had changed, it may be said that in 1910 only 10 per cent. of the value of imports into the United States were carried in American bottoms, while only 7½ per cent. of the republic's exports were thus carried. But last year 32 per cent. of the value of these imports, and 38 per cent. of the value of these exports were carried in American ships.

With such competition as this, it may readily be seen what might have happened to British shipping had it not, with the shipping of other countries, had a conference for the regulation of matters of common interest

And Now the Farmers Are Paying Up Subscriptions

Newspaper publishers will tell you that to them at least it seems that about the last debt paid is the newspaper subscription. Therefore, it is taken as a real sign of improved financial conditions in Western Canada that arrears on the circulation lists are being paid up. The following is a typical story:

There came into the office of a weekly newspaper in a prairie town a middle-aged farmer's wife who said she was almost ashamed to enter the place since she had not been in for more than five years. The proprietor welcomed her, however, and was even prepared to write off a couple of years if she would meet the obligation. Instead he found the woman not only willing but determined to pay all she owed; she handed over $11.50 to pay up for the arrears and one year in advance.

The publisher tells that as she did so a smile came over her face as she remarked: "Oh, you can't realize how wonderful it is for us farmers to have some money with which we can pay our debts. Of course, we won't have much left this year after we have paid them but still it is a relief to feel out of debt and we have now more courage to face the future—which we think will show up a little better."

That is the spirit in which the West is successfully working out its debt problems.

Says Inheritance Taxes Socialism in Disguise

WASHINGTON.—Addressing the National Conference on Inheritance and Estate Taxation recently held in Washington, President Coolidge suggested that the federal government should gradually withdraw from the field of levying revenue, which he denounced as approaching confiscation when united to the levies of the States, and socialism in the guise of revenue legislation.

"There are circumstances where the aggregate of estate and inheritance taxes may exceed the value of the property left by the decedent," said the president. "This is not unusual, but we have come to a point of estate and inheritance taxation, reaching as it does 40 per cent. in the federal law, and perhaps higher in some States, where the total burden closely approaches, if it is not actually, confiscation."

"If we are to adopt socialism, it should be presented to the people of this country as socialism, and not under the guise of a law to collect revenue," he asserted. "The people are quite able to determine for themselves the desirability of a particular public policy, and do not ask to have such policies forced upon them by indirection."

A MOVEMENT TO PUT FARMERS ON WESTERN LANDS

Plan to Interest the People of the Middle Western States

With the idea of organizing a campaign for settling and cultivating the farming lands of Western Canada a conference has been called for March 19, at Edmonton, at the instance of the Board of Trade of that city. The railways are to send representatives and it is expected that the premiers of the western provinces will attend. The organizers of this meeting declare that they have a national rather than Western aim and that the East is interested in the matter because of the taxation burden being carried as the result of the pre-war railroad program.

Peace River delegates at the conference will submit a definite plan for securing publicity along the lines which have proven successful in the campaign for a coast outlet from that country.

The Manitoba Free Press, Edmonton Journal and Vancouver Sun are among the newspapers which have been giving their aid to this effort which has been called the "Forward Canada" movement.

The plan is to direct the effort to secure settlers to the middle western states. The Peace River delegates have gotten in touch with a number of American publishers and report a uniformly favorable reception.

Those behind this "Forward Canada" movement claim farming in the parkland belt of the West—and they emphasize parkland belt— is an opportunity almost exclusively for the sons of farmers, whether they come from Eastern Canada, Scandinavia, rural England or the United States. They insist that, with a few noteworthy exceptions, settlers from the industrial centres of England and America have found themselves misfits. They are concerned also about the speculator who, with no final gain to himself, has in the past, destroyed one of the greatest factors for success, cheap land, small overhead. They urge adoption of whatever safeguards are possible in this regard, especially with reference to crown lands and other natural resources necessary to agricultural development, still abundant in the Peace River.

ALBERTA FEARING FEDERAL WILD CATS

Province Can Not Hold Sellers of These Fly-by-Night Stocks

From Our Own Correspondent.

CALGARY.—Westerners want reforms in connection with the granting of federal charters. Alberta's public utility board has done admirable work in preventing flotation of wild-cat schemes but is powerless, however, when a federal charter is granted. Companies with a provincial charter are under the direct control of the public utility board, and while the board does not pretend to say that the company is a genuine concern, the fact remains that there are certain matters that the company must conform with. This affords a considerable protection to the public. In cases of a company working under a federal charter the board has not the slightest jurisdiction, and "get 'em" stock salesmen can work unmolested. This was one of the reasons for the recent warning against oil wild-catters and which has been entirely misunderstood in some quarters. The writer was the first newspaperman to write up the possibilities of oil in Alberta. At the time of the old oil boom there was the same blanketing of oil leases as there is at the present time in the Turner Valley and other parts of the province. Why all this blanketing? It is merely history repeating itself. If there is not a boom it is a practical certainty that one will be attempted, and there will probably be as many "fish" caught as ever before although the fishing may possibly be done in waters a little further away from home.

This does not by any means convey the impression that there is no oil in Alberta. Time and again the writer has referred to the very excellent prospects there were of the province becoming a huge oil centre. One has only to refer, for instance, to the remarkable "coming in" of the No. 4 Royalite well which at the present time, and indeed ever since the well was partially capped, has been producing at least 300 barrels of high-grade gasoline per diem from its flow of "wet" gas. It has also been stated that on the authority of A. W. Dingman, pioneer oil man and geologist of Alberta, who was the original owner of the well, that it was not a "gas" well at all, but an oil well.

There is every indication that there will be other oil discoveries in Alberta, possibly much sooner than some people expect.

Bounty to Feed Grasshoppers

In the last analysis there is only one way in which the government can reduce our taxes—by spending less money. That is why business men and taxpayers generally are disturbed by the government's subsidy proposals. The Petersen ship subsidy and the plan to provide a bounty for the production of hemp in Western Canada are cases in point. Even if there was good reason to believe that there would be indirect benefits of a substantial character as the result of these subsidies, they could hardly be justified under the present conditions. But there is a growing feeling that in both cases huge sums will be spent without doing any good.

In regard to the shipping subsidy a strong case is being made against the scheme and there seems reason to doubt whether it will be carried through, even though the government is pretty well committed to it. As regards the hemp bounty, there has been less said. THE FINANCIAL POST last week carried an exclusive report from New York telling of millions spent and lost in experiments in the United States, looking to the production of a hemp supply for binder twine. There would seem to be less chance for the industry to succeed in Canada than in the United States. Hardware and Metal has been making thorough inquiries in regard to the hemp project, and comes to the conclusion that a bounty would be throwing money away. The plan discussed is for a $5,000,000 cordage plant, with a bounty of 1½ cents per pound for hemp growers. Hardware and Metal says:

To the layman this might appear to be a laudable effort to establish a Canadian industry, but to those who know the cordage business such a development merely opens wide the sluice gates for a big wastage of good Canadian money, both for the government through its subsidies and for the business interests which propose placing their money in the manufacturing end of the business. There are big possibilities for loss along both lines.

After years of experimenting, in which millions of dollars have been spent by cordage companies, it has been agreed among experts that suitable hemp for binder twine purposes cannot be grown in Western Canada. Indeed it is very doubtful if it can be grown anywhere north of Mexico or the Philippine Islands. Hemp produced in Western Canada is similiar to that which is used for cheap wrapping twines, but is said to be totally unsuitable for binder twine. It is said to be soft, is too subject to moisture, provides too good a resting place for insects to make nests, and provides too good fodder for grasshoppers. All binder twine has to be treated to some extent to make it insect proof but the softness of the hemp produced in Canada and produced anywhere outside of a real hot climate, is said to make it much more susceptible to the depredations of insects, and it is claimed there would be very great difficulty preventing binder twine made from Canadian hemp from being at least partially consumed by insects.

Why throw good Canadian dollars to the grasshoppers?

Experts state that the hemp produced in Western Canada has insufficient oil in its composition with the result that it rots easily and is not sufficiently durable to serve as binder twine. Its cost of production would also be higher than that for fibre produced by cheap tropical labor, it being estimated that binder twine produced from this hemp would have to bring approximately 20 cents per lb. compared with a price of 15 cents per. lb. on binder twine sold in Canada all last season.

During the past ten years International Harvester Co., chief producers of binder twine in North America, spent millions of dollars trying to grow suitable fibre for its plants within the limits of the United States. It has always been thought highly desirable that substitute fibre be found so that America would not be so dependent upon Mexico, Philippine Islands and other tropical countries, but so far nothing suitable has been found. An advance of 12 cents per lb. has just recently been made in raw material prices due to conditions in the tropical countries producing fibre, over which producers on this continent had no control.

Some years ago International Harvester Co., made twine from domestic hemp and supplied it to farmers for experimental purposes. The twine failed to stand up due to moisture. It was then wrapped in paper to protect it but the paper would unravel and clog. Machines were experimented with at Chicago and St. Paul, using Western States and Canadian product but it was found unsuitable.

The late J. L. Haycock, Dominion Government twine inspector, investigated the subject very fully and concluded it would be necessary to size this twine with glue before it could be used. The twine could, it was said, be manufactured cheaper but the sizing would bring the cost up to the price of standard twines. It was found that the seed could not be matured and the fibre used, as the fibre must ordinarily be cut when green. A plant was started at Brandon several years ago making binder twine from domestic hemp but it did not pay and went into liquidation.

There has never been a time when greater emphasis could be laid upon the injunction to governments that they should not try to do for the people what the people can do better for themselves. President Coolidge in his recent message, in discussing taxation, recognized this point and indicated that Washington is alive to the necessity of further relieving business from tax burdens. In Canada, unfortunately, there still seems to be a conviction that paternalistic poultices can be effectively employed when it is becoming daily more evident to the business community that the only hope for a cure is to use the knife.

Government to Assist Farmers to Grow Trees

The department of lands and forests, forestry branch, has on hand for free distribution to the people of Ontario this year, six and one half million trees. This material is intended primarily for forest planting but a limited supply of trees is on hand also for windbreak work.

The purpose of this distribution is to assist farmers and landowners in the province to improve their woodlots and to re-forest waste portions of their holdings. On most farms there are a few acres which might profitably be devoted to the planting of trees. Also, in some sections of the province where the land is all of good agricultural worth, and little forest remains, it would be profitable to plant a few acres with trees.

MAKE COMPANIES RESPONSIBLE FOR DUTY ON SHARES

Much Criticism of New Succession Measure of Quebec

MONTREAL.—An act entitled "Corporation Extra-provincial Transfer Offices Act," before the Quebec legislature, is an endeavor to prevent holders of securities from evading succession duties by registering holdings outside the province.

The act, it is stated, will, if it becomes law, cause not only great inconvenience to the large corporations, but will saddle them with an enormous financial burden, says Financial Service. Companies which have their principal offices in Quebec, but transfer offices outside the province, enabled shareholders, whether residing in the province or not, to register shares in an outside registry office, and, on their death, enable their estates to evade the Quebec succession dues.

The new bill provides that all companies coming under the category mentioned must make a yearly return to the province giving detailed information as to the death of a shareholder and particulars of to whom the shares have been bequeathed and pay to the province a succession tax of from 3 per cent. to 15 per cent. depending on the degree of the relationship of the deceased to the beneficiary.

In other words, the province will, by this act, turn a part of their present succession duties taxation from being a direct tax to an indirect tax as the actual individual who is the cause of the tax will not pay it; that is, the person who, as a beneficiary, receives a legacy of shares in the companies mentioned will not pay a direct tax to the government although he may indirectly pay it through increased prices in the commodities or services he obtains from the Corporations who have to directly pay the tax.

The province cannot impose any indirect taxation, that is a federal privilege, and therefore the sponsors of the bill will claim that it is a direct tax on corporations, but it has every appearance of an indirect tax under another name and will probably give rise to some interesting legal battles over the rights of the province in the case.

NEW ISSUE

$5,600,000

Simpsons, Limited

6½% Sinking Fund Collateral Trust Gold Bonds
Series "A"

To be dated April 1st, 1925 To mature April 1st, 1945

Principal and semi-annual interest (April 1st and October 1st) payable, at the option of the holder, at The Canadian Bank of Commerce in Toronto, Montreal, Winnipeg, Vancouver, St. John or Halifax, or in United States gold coin at the Agency of The Canadian Bank of Commerce, New York, or in Sterling at The Canadian Bank of Commerce, London, England, at the fixed rate of $4.86⅔ to the £1. Coupon Bonds in denominations of $1,000, $500 and $100 registerable as to principal only. Fully registered Bonds in denominations of $1,000 or authorized multiples thereof. Coupon and fully registered Bonds interchangeable as provided in Trust Deed. Redeemable as a whole or in part at the option of the Company on any interest date on sixty days' notice at 104 and accrued interest.

National Trust Company, Limited,—Trustee.

A Full Sinking Fund for the exclusive retirement of all the Bonds of this Series will be provided by the Trust Deed. Under its terms $135,000 will be provided annually for the first 5 years and $150,000 annually for the next 15 years, together with annual amounts equal to the interest on Bonds redeemed.

Legal investment for Canadian Life Insurance Companies.

The Company

Simpsons, Limited has been incorporated to acquire all the outstanding common shares of The Robert Simpson Company, Limited, of Toronto, which company and its subsidiaries own and operate in Toronto and Montreal two of the longest established department stores in Canada, as well as an extensive Mail Order business. The original business was founded in 1872. The Robert Simpson Company, Limited, was organized in 1896, and for nearly thirty years, with its subsidiary companies, has experienced an expanding volume of sales and growing earning-power. The business will be operated under the present executive direction

Assets

The combined net assets of Simpsons, Limited and constituent companies, after deducting bonds and mortgages and preference shares ranking ahead of this issue of $5,600,000 Bonds, amount to $14,197,852, against which the Company has a reserve of $3,225,116 for depreciation of fixed assets, as shown on the balance sheet certified by Messrs. Price, Waterhouse & Company, Chartered Accountants.

Earnings

The average combined annual net earnings of The Robert Simpson Company, Limited, and its subsidiaries, for the period of three fiscal years ended February 4th, 1925, after all deductions, as certified by Messrs. Price, Waterhouse & Company, Chartered Accountants, available for interest on the Series "A" Bonds were $1,167,088—over three times interest requirements on the Bonds now offered.

Security for Bonds

The Bonds now or hereafter issued will be a direct obligation of Simpsons, Limited, and will be secured by Trust Deed constituting a specific first charge on all the issued common shares of The Robert Simpson Company, Limited. Simpsons, Limited will covenant that all bonds or mortgages of subsidiaries and all land, buildings and plant acquired by it subsequent to the execution of the Trust Deed will be subjected to the fixed charge thereof. All assets, present or future, not embraced in the fixed charge, will be covered by a floating charge.

The total amount of Bonds which can be issued under said Trust Deed, for the purposes therein provided, is $15,000,000, of which $5,600,000 constitutes Series "A".

These Bonds are offered for delivery if, as and when issued and received by us and subject to the approval of our counsel of all proceedings. Interim Bonds of Simpsons, Limited will be ready for delivery on or about April 1st.

Price: 99 and interest, to yield nearly 6.60%

Wood, Gundy and Company
Toronto Montreal Winnipeg

Dominion Securities Corporation, Limited
Toronto Montreal

The statements contained in this advertisement are not guaranteed, but are based upon information which we believe to be reliable and on which we acted in agreeing to purchase these securities.

Controversy Concerning Ocean Steamship Rates and Preston Report to Dominion Government

Statements Concerning Rates Declared to be Grossly Unfair and Widely at Variance With Facts—Underlying Purpose of Formation of North Atlantic Steamship Conference.

That the charges made against the North Atlantic Steamship Conference by Mr. W. T. R. Preston to the Minister of Trade and Commerce, Ottawa, in connection with freight and passenger rates charged Canadian shippers and travellers between Canada and the United Kingdom are grossly unfair and widely at variance with the real facts is the case presented on behalf of the steamship interests involved in a joint reply made by a number of Canadian Steamship Companies.

One of the most remarkable features of the case is that the steamship companies disavow completely ever having had any communication with Mr. Preston on the subject of the investigation he was engaged to make on behalf of the Canadian Government, whereas Mr. Preston makes the statement: "I was in a position to get in touch with all the interests concerned without unnecessary delay." It follows that the statements contained in his report are very much one-sided and appear to have been compiled with a view to employing every point which would tend to make a case against the companies without giving them a chance to defend themselves or giving any facts which would tend to throw a different light on the subject.

The reply made by the steamship companies is a lengthy document and goes into the subject at considerable length to show that the object of the Steamship Conference is to so stabilize rates as far as it is possible to do so in a highly competitive business so that an adequate service may be maintained for the benefit of Canadian shippers and at the same time to provide a fair remuneration for the same.

Purpose of Conference

Instead of the Conference in question constituting a "combine" as Mr. Preston alleges, the reply points out that it is "merely an association of the regular lines constituting a very small portion of the carriers on the Atlantic who have agreed among themselves to quote on various commodities equivalent rates subject to change on notice, the object being simply to prevent the complete demoralization in rates which occurs when there is no such agreement under the keenly competitive conditions which prevail in the North Atlantic trade." In other words, it is designed to prevent uncontrolled price cutting which, as it destroys proper service would in the end benefit no one. Lack of control would mean the elimination of all but a few strong lines and create a practical monopoly.

It is pointed out that the association consists of a group of keenly competitive lines which in turn are open to the competition of tramp steamers which are in a position to take advantage of special conditions which may be favorable, whereas the regular lines must maintain a continuous service no matter what the conditions may be.

Shippers Not Penalized

Mr. Preston's assertion that shippers using an outside steamer might later, when using regular lines, be penalized by having their goods delayed is dismissed as being childish. It simply is not done. There is nothing to prevent shippers using any ship available outside the Conference as there is nothing in the way of rebates or penalties to hold them to the regular lines.

After citing a couple of striking instances of where Mr. Preston is wrong as regards certain steamship transactions and their purpose, the reply goes on to explain the workings of the conference system. Instead of its activities being of a sinister character as implied by Mr. Preston, its aims simply contemplate the maintenance of an adequate and efficient service at a price for the service rendered which, while insuring the free flow of traffic in the greatest volume possible will enable a reasonable return to be made to shareholders on their investment and a sufficient surplus to enable advantage to be taken of major improvements in ocean transportation as they become available. In most cases these are not at present being obtained, ship owners being pleased if their operations do not show a deal loss.

In Active Competition

The joint reply goes on to state that the workings of the Conference are an open book and have received the approval of both British and American Governments. Their benefits are, however, practically unknown to Mr. Preston. Its individual members are in active competition with each other and this has resulted in the very best service through high-class steamers for the St. Lawrence route. The smaller shipper receives exactly the same rates and treatment as the larger shippers.

Denial is also given to implications of controlling immigrant routes, that there is any discrimination against tramps coming to St. Lawrence ports or that there is any discrimination against British traders.

Question of Freight Rates

The reply then takes up the question of freight rates as questioned by Mr. Preston and asserts that the figures are for the most part so inaccurate and the statements and complaints made are so general and vague in their character that it is difficult to deal intelligently with them. Insofar as the operation of freight vessels during the past two years is concerned it has been impossible to carry on without loss and it was in an endeavor to minimize this loss that the westbound increase in rates on March 1 last, so strongly objected to by Mr. Preston, took place. These rates are made in Canada by those having full knowledge of the conditions and the constant endeavor is to increase and stimulate the flow of traffic. To do otherwise would be suicidal. It is also denied that the British Preference has been obliterated by the increased rates. Sir Henry Drayton investigated this claim and found it to be unfounded. This is corroborated by statements made at the annual meetings of Canadian industries which are in direct competition with British manufacturers, particularly woollen goods, indicating that competition is so keen as a result of the British Preference that many Canadian mills cannot operate profitably.

Grain Rates Are Fair

Rates quoted by Mr. Preston are shown to be inaccurate. Special attention is paid to the question of grain rates. In this connection the reply states:

"The North Atlantic Conference exercises no control whatever over the rates of wheat and other grain. These are left absolutely open, proof of this being that during the season of 1924 tramp vessels carried 62.2 per cent. of the grain from the Port of Montreal, while the Liners only carried 37.8 per cent. The wide fluctuations in the grain rates over a period is no doubt due to the fact that the rates are open, and the extension of the Conference methods to these commodities, instead of eliminating or curtailing, would bring about proper stability.

Wheat made it possible for the Port of Montreal to occupy the position as the largest grain port in the world and the second largest port from standpoint of traffic in America."

Cattle Trade Rates

The next rate question taken up is that of the cattle trade which Mr. Preston asserts has been subjected to excessive rates. "If," says the reply, "such is the case, why were 41,871 head of cattle exported during the last summer from the Port of Montreal, and a steady flow of Canadian cattle moving during the present winter season from St. John, N.B., Halifax and Portland, and space requested for St. Lawrence opening."

Mr. Preston mentions that prior to the war the average rate for cattle was 30s., and during the war period the rate was as high as $60.

It is admitted that for a certain period prior to the war the freight rate was approximately 30s., but for many years prior to that, as it is shown by statement herewith, rates ranged very much above the figure mentioned by Mr. Preston.

In regard to the rate stated to have been effective during the war period the fact is that during the period of the war the Conference Lines carried no cattle whatever.

Claim Not Substantiated

Mr. Preston also mentions that owing to market conditions, cattle dealers claim any rate exceeding $15 a head makes it quite impossible for them to secure a return on their investment, and that cattle shipped out at higher rates are invariably sold at a loss to the producer.

The statement is not substantiated by facts. A new company has been organized in the Western Provinces, with a capital of $400,000 for the purpose of raising Canadian cattle for the export trade, and who are now shipping cattle at $20 with no indication that they are losing money.

Mr. Preston complains that no attention was paid to his representations that the western Canadian cattle industry might disappear as a result of the attitude of the principal carriers but all the principal lines communicated with by cable state that they had no communication with him on the subject.

Divergence in Rates

The conclusions arrived at by Mr. Preston are chiefly remarkable for their wide divergence from the facts. In connection with increase in rates, the statement is made that in Canadian ocean rates the increases are as high as 700 per cent. above pre-war freight rates, the obvious inference being that there are many such increases. The fact is that the 700 per cent. increase applies to one commodity on which the pre-war rate was so low as not to cover the cost of handling, and many lines refused to carry it. The rate now fixed on this commodity has merely placed it on the same level as other articles of the same nature.

There is nothing inherently unreasonable in a 700 per cent. or any other percentage advance if the final result only gives the carrier fair remuneration for the service rendered, as is the case in this instance. The instance is chiefly valuable as showing Mr. Preston's methods. He has set out to prove, or appear to prove, certain conclusions, and everything favorable to those conclusions is made use of, anything on the other side being ignored.

Passenger Rates Discussed

In the concluding portion of the reply the charges with reference to excessive passenger rates is dealt with and facts are adduced concerning the changes in the character of accommodation provided and the method of dealing with different classes. Three periods are dealt with. These are: pre-conference period 1900; pre-war period, 1913; and, present period, 1924. The conclusions reached are as follows:

"It is admitted that the very considerable spread as between the previous period and the present may on the face of it look extraordinary, but when the cost of the tonnage now employed as against the previous periods is considered, it will indicate the extra capital investment that is required to carry the business. Add to this the general advance in costs in every direction and one cannot help but be impressed with the fact that if ships are to operate if they at least break even or make a reasonable profit their earnings must be on a level with their expenses."

DIFFICULTIES BEING FACED BY LOAN COMPANIES

Taxation and Legislation Add to Problems Faced

In connection with the annual report of the Canadian Mortgage Investment Company showing net income of $63,759 compared with $83,996 got 1923, the chairman, Hon. Wallace Nesbitt, explains that only interest has been taken credit for which has been actually collected and is applicable to the year under review. This policy has been felt to be wise and necessary in view of the delays and difficulties which now surround the collection of interest payments in the Western provinces, Mr. Nesbitt explains further; this is the result in part of the straightened conditions of a large part of the farming population, and in part of disabling legislation. Following are comparative figures from the profit and loss account:

PROFIT AND LOSS

	1924	1923	1922
Net income ...	$ 63,759	$ 83,996	$ 91,656
Bal. forward ..	28,641	19,240	28,336
	$ 92,400	$103,236	$119,992
Dividends	$ 62,238	$ 74,595	$ 74,624
Writ. off deprec.	....	....	26,128
Balance	30,162	28,641	19,240
	$ 92,400	$103,236	$119,992

Seven Years' Earnings

Year	Paid-up Capital	Prof.	Div	% Prof. Av. Cap.	Earn. Rate
1924	$1,244,766	$63,759	5	5.1	3.9
1923	1,243,262	83,996	6	6.7	4.8
1922	1,243,740	91,656	6	7.3	5.1
1921	1,242,022	89,094	6	7.1	5.0
1920	1,239,586	96,055	6	7.7	5.6
1919	1,235,954	81,538	6	6.8	5.0
1918	1,231,630	101,549	6	8.3	6.0

It will be noted that as a result of the conditions prevailing and their effect upon the company's income, a reduction in the dividend from 6 to 5 per cent. has been made. In this connection the report explains:

We have to realize that in all that relates to her agricultural and industrial interests the Dominion is now passing through a critical period. In these circumstances the directors of this company have but one purpose, and that is to maintain the company in a strong and sound position, and in all ways to protect the capital of the shareholders.

With this object in view, and after careful consideration, your directors decided not to confine themselves to the exclusion of uncollected interest for the year with which we are dealing, but to remove from our mortgage assets, as they are set forth in the balance sheet, all uncollected interest taken credit for or added to the loans in previous years. The total of such interest taken credit for in past years amounted to $61,050, an amount not greatly in excess of six months' interest on the present body of loans, so that these loans as they now stand in our balance sheet are free and clear of any portion of uncollected or capitalized interest.

In addition to writing off all known bad debts, your directors decided furthermore to write off forthwith, and in their entirety, all accounts presently known or believed to be doubtful, rather than to provide for them gradually, as is commonly done, over a period of two or three years; and further to write off a substantial sum from the foreclosed real estate account. To make these several provisions your directors have taken the sum of $150,000 from the reserve fund; and the sums thus applied to eliminate uncollected interest, to provide for doubtful debts, and for the writing down of foreclosed property, will, to such extent as they are not actually drawn upon, take the form of internal reserves.

The provision thus made for uncollected interest is not to be regarded as a provision for loss. Much of this interest it is confidently believed will be recovered from year to year, but the effect of the present course should be to stabilize the company's future earnings, since all interest collected yearly hereafter will now be applicable to the year in which it is collected.

N.S. Mortgage Corporation Reports Increased Profits

Profits of the Mortgage Corporation of Nova Scotia for 1924 amounted to $43,779 and compared with $42,696 in 1923. Six per cent. dividends were paid and $10,000 was added to the reserve fund, leaving a small balance to be carried forward. Following are comparative figures:

PROFIT AND LOSS

	1924	1923	1922
Earnings	$ 87,806	$ 81,807	$ 77,225
Interest—			
Debent., etc. .	$ 17,950	$ 14,800	$ 12,750
Deposits	1,387	1,298	2,464
Cap. Calls	429	549	604
Expenses	11,537	13,796	11,333
Directors	1,150	1,150	1,150
Written off . ..	5,000	1,500	2,700
Taxes	6,574	6,018	5,943
	$ 44,027	$ 39,111	$ 36,944
Profits	$ 43,779	$ 42,696	$ 40,281
Bal. forward ...	290	111	403
Prem. on stock.	639	249	631
	$ 44,708	$ 43,056	$ 41,314
Distribution—			
Dividends . .	$ 34,132	$ 32,766	$ 31,203
Reserve	10,000	10,000	10,000
Balance	575	290	111
	$ 44,708	$ 43,056	$ 41,314

Eight Years' Record

Year	Paid-up Capital	Net Profits	Div.	% on Cap.	Earn. Rate
1924	$593,454	$43,779	6	7.7	5.8
1923	562,944	42,696	6	7.9	6.0
1922	552,670	40,281	6	8.0	6.0
1921	521,192	39,756	6	7.9	6.2
1920	513,541	39,017	6	7.0	6.3
1919	507,654	43,875	6	9.1	7.4
1918	499,146	38,843	6	8.4	6.9
1917	453,276	31,843	6	7.8	6.2

Imperial Trusts Showed Smaller Net Profit in 1924

The net profits of the Imperial Trusts Co. in 1924, after deducting cost of management, directors, auditors and government fees, taxes, salaries, advertising, etc., amounted to $2,274. Provision was also made for the writing off of $2,500 to miscellaneous reserve from office premises. As no dividends were paid the balance was increased from $26,191 to $28,465. Following are comparative figures:

PROFIT AND LOSS

	1924	1923	1922
Net profits	$ 2,274	$ 5,266	$ 26,447
Bal. forward...	26,191	35,426	22,644
	$ 28,465	$ 40,692	$ 49,091
Dividends	$.......	$ 14,501	$ 13,665
Balance	$28,465	26,191	35,426
	$ 28,465	$ 40,692	$ 49,091

Six Years' Earnings

Year	Paid-up Capital	Profits	Div.	% prof. av. Cap.	Earn. Rate
1924	$248,164	$2,274	.	0.9	0.7
1923	248,044	5,266	6	2.2	1.6
1922	238,183	26,447	6	12.0	8.8
1921	226,036	14,687	6	6.9	5.2
1920	214,179	22,857	6	11.4	8.4
1919	205,526	13,573	3	6.7	5.4

The balance sheet shows assets totalling $5,373,834. Liquid assets are put at $212,979 or 44.58 per cent. of deposits which total $477,626, showing an increase for the year of $40,581. Assets of estates, trusts and agencies under administration amount to $4,319,806.

TAXES CUT PROFITS OF CHARTERED TRUST

Making it Necessary to Call on Reserve Fund in Order to Pay Dividends

Provision of $7,500 for federal income tax in addition to $4,066 for provincial and municipal taxes cut deeply into the profits of the Chartered Trusts and Executors Co. in 1924. These profits amounted to $39,802 compared with $20,120 in 1923. Dividends at seven per cent. took $36,251, necessitating a call on the reserve to the extent of $10,000. The balance was increased from $1,830 to $3,814. Following are comparative figures:

PROFIT AND LOSS

	1924	1923	1922
Profits	$ 39,802	$ 20,120	$ 50,731
Taxes	4,066	.....	.....
Prov. for tax...	7,500	3,047	4,955
	$ 28,235	$ 17,073	$ 45,776
Bal. forward ..	1,830	10,837	4,207
Prem. on stock.	......	87	6,037
Trans. from res.	10,000	10,000	......
	$ 40,065	$ 37,997	$ 56,020
Distribution—			
Dividends ...	$ 36,251	$ 36,167	$ 35,184
Reserve	......	......	10,000
Balance	3,814	1,830	10,837
	$ 40,065	$ 37,997	$ 56,020

Six Years' Earnings

Year	Paid-up Capital	Net Profits	Div.	% prof. av. Cap.	Earn. Rate
1924	$519,303	$28,235	7	5.4	4.9
1923	516,802	17,073	7	3.3	3.0
1922	515,556	45,776	7	9.1	8.0
1921	484,456	35,670	7	7.4	6.6
1920	479,937	37,644	7	8.0	7.0
1919	446,862	48,368	7	11.5	9.3

The company is understood to be making very satisfactory progress under the conditions prevailing and a considerably better showing is anticipated for the current year.

The company's assets total $10,541,641. The assets, trusts and agencies account shows $9,278,100. Trust funds for investment total $447,366 and trust deposits $219,773.

Mortgage Assn. Opposes Priority of Income Tax

Representations have been made by a committee of the Dominion Mortgage and Investments Association to the prime minister and his associates, with a view to having changes made in the 1923 amendment to the Income War Tax Act. A committee of the cabinet has been appointed to consider the matter.

During the closing hours of the session of 1923 an amendment was made to the Income War Tax Act which made amounts due as income tax by a mortgagor a lien against his property, prior to existing encumbrances. At a conference held in Toronto on Monday, April 21, 1924, at which Mr. Breadner and representatives of many organizations were present, Mr. Breadner agreed at the request of representatives of the Dominion Mortgage and Investments Association to submit to the government amendments to section 25 which would, while creating a lien, make it subordinate to those already existing, and also make the lien for income tax in every respect the same as other charges, that is, it would not have any special rights because of its being a debt due to the crown. Mr. Breadner also agreed to remove other difficulties which lenders would encounter, by regulations which, before being proclaimed, were to be submitted for the approval of the committee representing the organizations referred to. Failure to accomplish the desired change led to the present action.

Prudential Trust Made Little Progress in 1924

From Our Own Correspondent

MONTREAL. — The annual statement of Prudential Trust shows total net profits in 1924 were but $3,261 as compared with $2,343 for 1923. Gross revenue was $108,467, an increase of $5,300 over the preceding year and total assets increased by $94,623 and now stand at $5,318,075. R. Hall Brown, president, said: "Certain important negotiations for trusteeships, that were expected to have materialized during the year, have not been concluded. Some of the conditions have been amended, and satisfactory progress is now apparently being made towards completion. Considerable expenditures have been incurred and paid by the trust company in connection therewith. These expenditures, together with our fees, are secured, and will in due course, be credited in the accounts, following collection in cash."

B. C. FISHING IN BETTER POSITION

Deficit Taken Care of and Balance Sheet Shows Improvement

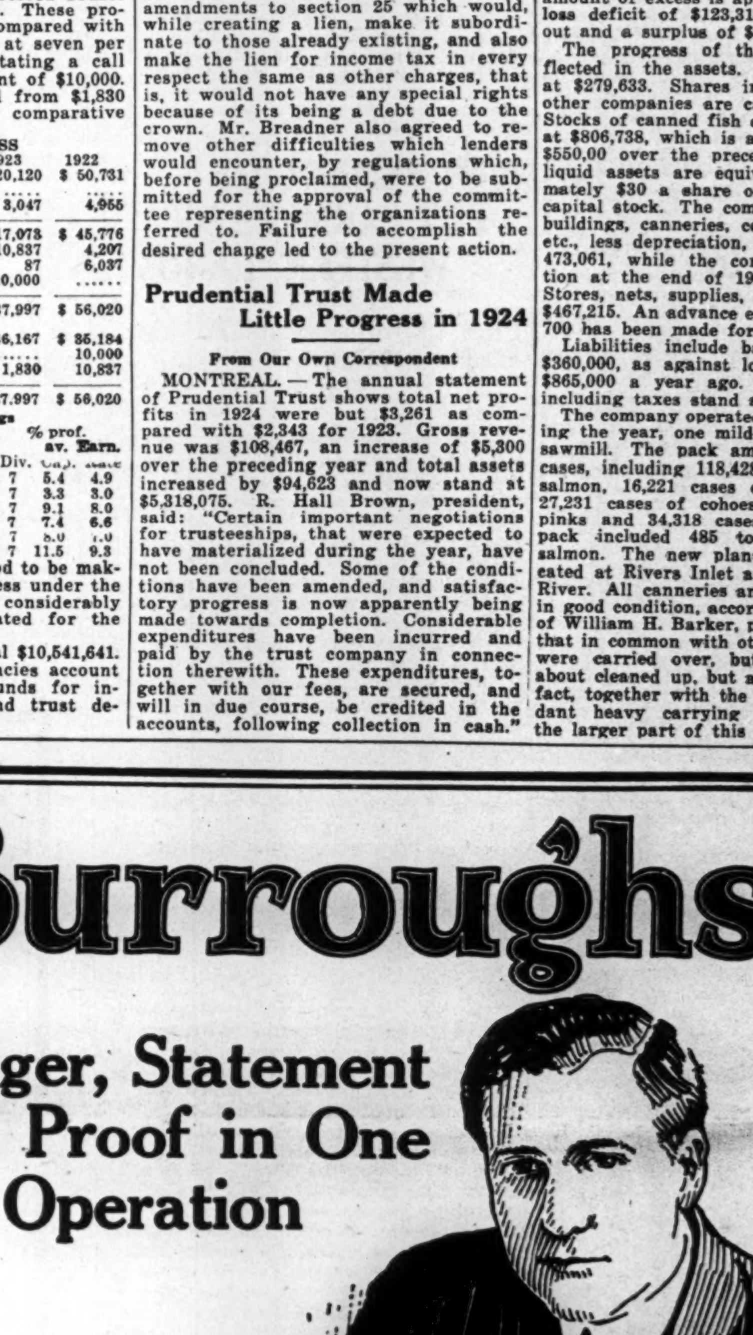
The expectation that the B. C. Fishing and Packing report would show a change for the better has been fully met. The year ending Dec. 31 shows profits before depreciation and taxes of $129,153 compared with $125,114 the year previous. Provision for depreciation in 1924 required $90,000 and accrued taxes $13,539. These two deductions leave net profit of $26,000, which is a small percentage on the capital stock of $4,291,800. However, the company has made a considerably better showing than in 1923.

During 1924 two canning plants with an appraised value of $102,921 in excess of the cost price were acquired. This amount of excess is applied to profit and loss deficit of $123,312, which is wiped out and a surplus of $5,223 shown.

The progress of the company is reflected in the assets. Investments stand at $279,633. Shares in and advances to other companies are carried at $339,511. Stocks of canned fish on hand are valued at $806,738, which is a reduction of over $550,00 over the preceding year. These liquid assets are equivalent to approximately $30 a share on the outstanding capital stock. The company's real estate, buildings, canneries, cold storage plants, etc., less depreciation, are valued at $2,473,061, while the corresponding valuation at the end of 1923 was $2,373,285. Stores, nets, supplies, etc., are valued at $467,215. An advance expenditure of $26,700 has been made for the 1925 pack.

Liabilities include bank loans payable $360,000, as against loans amounting to $865,000 a year ago. Accounts payable including taxes stand at $100,449.

The company operated 14 canneries during the year, one mild curing plant, one sawmill. The pack amounted to 281,002 cases, including 118,428 cases of sockeye salmon, 16,221 cases of spring salmon, 27,231 cases of cohoes, 84,804 cases of pinks and 34,318 cases of chums. The pack included 485 tons of mild-cured salmon. The new plants secured are located at Rivers Inlet and on the Skeena River. All canneries and plants are kept in good condition, according to the report of William H. Barker, president. He adds that in common with others, heavy stocks were carried over, but which are now about cleaned up, but at low prices. This fact, together with the necessarily attendant heavy carrying charges absorbed the larger part of this season's earnings.



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WHOLESALES NEEDED TO OVERCOME HAND-TO-MOUTH BUYING

Despite Progress of Claims There is Still an Important Field

HELP THE RETAILER

Manufacturer Finds He Must Carry Risk in Direct Selling as Retailer Buys Close

The advent of the chain store, especially into the retail grocery trade, has revolutionized both the wholesale and retail sections of that business, and promises to bring about further changes. Perhaps one of the most important is that underway to create a chain of wholesales to the end, that in co-operation with the independent retailer, they may better compete with the chain in both buying and selling. It is in the grocery line that the chain has developed the highest efficiency, although the hardware lines are not far behind.

The success of the chain has been in the simplification and cheapening of distributive processes. In fact, it is being pointed out that they have had the result of placing lines, heretofore regarded by grocers as luxuries, in the staple class. With this movement of goods direct from mill or factory to the retailer, there has come to be considerable discussion as to the future of the wholesaler and jobber. The New York Journal of Commerce raises this question in discussing the future of the shoe business, and makes the point that the time is especially opportune for wholesalers to regain some of the prestige which they have lost and at the same time demonstrate that the wholesale is not an expensive supernumerary in the industrial mechanism, but rather a component part of an efficient and economically-organized machine.

"Hand-to-mouth buying" undoubtedly has played a part in leading many to predict the doom of the wholesaler. In the shoe line, however, this policy has been accentuated by the rapid change in footwear styles and undoubtedly carried down many wholesalers who were caught with large stocks. In direct selling to the retailer, the manufacturer finds that the retailer is unwilling to place forward orders, and so the manufacturer must himself shoulder the speculative risk of carrying the goods that used to be carried by the wholesale distributor. The result is that the manufacturers have scaled prices upward to take care of possible losses on unsold goods. The New York paper in discussing the retail situation says:

> There are thousands of small shoe retailers who cannot finance direct buying because their stock requirements compel them to deal with too many manufacturers. For example, a reliable authority says that at least six good wholesale houses are needed to provide the variety that even a small retailer must offer. Many thousands of these houses, furthermore, do business on so small a scale that it would not pay a manufacturer to try to deal with them. In fact, if the manufacturer endeavors to supply the wants of small customers he cannot avoid building up a distributing agency, which after all duplicates a wholesale business and involves therefore equivalent, if not greater, expense.
>
> The result is that over a large field the services of the wholesaler are not only necessary but are performed at a cost to the customer no greater and sometimes less than that incurred when similar purchases are delivered "direct from the factory." It is significant in this connection to quote the statement of a trade expert who finds that failures among shoe retailers are about evenly divided between those who buy and those who do not buy directly from the manufacturer. As this percentage pretty accurately reflects the general division between direct and indirect buying, it at least shows that direct buying constitutes no infallible safeguard against bankruptcy.

These generalizations, with variations, are applicable to other distributive lines. The assumption of the speculative risk in forward buying, outside the service of actual distribution, requires special machinery. In some lines the wholesaler has lost out, but in many lines production will not get to the point where costs can be reduced, until the wholesaler again takes hold. The hand-to-mouth retail buying, with the manufacturer carrying his own risk in unsold lines, has shown a tendency to hold costs high.

Dominion Canners Come Back Rather Strong

The Dominion Canners has again made a distinct recovery, selling up to 92, or 12 points above the low of a week ago. This display of strength is taken as reflecting progress in working out the position of the diferent interests in the shares. The shares are not paying dividends but predictions are freely made that some action to remedy this is to be expected in the not distant future. The new interest is publicly committed to harmony with the present control and it is felt that the delayed annual meeting in May, will likely pass off very smoothly. It is believed, however, that there will be the spirit of give-and-take and for this reason there are those who are hopeful of common share dividend action or a distribution in some form. The only source of income of the Dominion Canners Co., the holding company, at the moment is the interest it receives on the loan it has made to the Canadian Canners, Limited, the operating company, but in view of the favorable showing for the past year it is anticipated that dividends will be inaugurated shortly on the preferred stock, the majority of which is held by Dominion Canners. The opinion was freely expressed in informed brokerage circles yesterday that the stock was worth the present high price and considerably more in view of the prospects for return.

The Laurier Touch

One of the best-known Canadian manufacturers was a close personal friend of Sir Wilfrid Laurier. He is also something of a "jollier."

A little while ago a salesman called on him. The salesman waxed eloquent over the merits of his house; delivering a fine discourse on prestige, tradition, service and sundry other merits of what he was selling. It was eloquent; it was declaimed with a flourish.

As he was in the midst of his peroration the manufacturer turned to his general manager, who was in the room and remarked with an air of gravity: "I wish Laurier could have heard that."

PREMIER KING DOES NOT LACK CONFIDENCE

Will Follow His Own Ideas in Working Out the Future of Canada

From Our Own Correspondent.

OTTAWA.—Rumors of Cabinet changes continue to go the rounds, but it is unlikely that they will appear before the government decides to go to the country. Then probably Mackenzie King will re-organize his cabinet as Mr. Meighen did.

There are several changes sometime overdue. Ove of these is in the department of finance, over which Hon. W. S. Fielding still nominally presides, though the work is done by Hon. J. A. Robb. But as the latter is known as the minister of immigration it works out that finance gets his attention and immigration has to do the best it can. The dissatisfaction over immigration is bound to produce a change in its head; for it is pretty well agreed that Mr. Robb will stay with finance.

Rumor is busy with the name of Dr. W. L. McDougald, of Montreal, who is an important man in the industrial and financial world. He is very close to the prime minister, and it is thought that the latter would be glad to get his services for one of the heavier of the portfolios.

In some quarters it is also considered probable that Hon. C. O. Dunning, of Saskatchewan, will enter the government, but not until after he gets through with a provincial election in his own province. It is generally considered that he would strengthen the cabinet out West, and indeed in all Canada for that matter, Premier Dunning having a good reputation both as a business man and a politician.

In the making of changes the prime minister will be guilded pretty much by his own opinions. With the passing of Sir Lomer Gouin and Hon. W. S. Fielding from the cabinet counsels there is no doubt that Mackenzie King is the unquestioned ruler of his party. His manner in the house also suggests that he has confidence in his ability to meet any situation that may arise.

The impression is deepening that a general election is in sight, the decision of the Government to keep the house sitting on Ash Wednesday being considered fresh evidence of this. Reports from the West add color to this impression. Some of the Liberal strategists firmly believe that in $2 wheat they have the finest cure-all for Western farm ills that has ever been produced, and they are eager to try it out, as Coolidge did.

EXPORT TAX CANNOT LIMIT WHEAT MARKET

Product of Practically All Our Wheat Now Milled in the U.S. is Exported

Relative to the proposed export tax on hard wheat going to the United States, a recent issue of the "Canadian Milling and Grain Journal" sums up the advantages of such a tax as follows:

> By the imposition of an export tax on wheat consigned to the United States for domestic purposes, and for milling in bond, the Western producer would not lose a market for his products. The only Canadian wheat milled in the United States to-day is milled in bond and the product exported to other countries.
>
> The benefits of an export tax on wheat consigned to the United States for domestic consumption or milling in bond far exceed any possible disadvantages, for the following reasons:
>
> 1. It would eliminate to a considerable extent the misrepresentation of the Canadian product and would enable Canadian millers who are in the business to stay, to maintain the present high standards for their products.
> 2. While economic conditions in overseas markets may have their effect, the control of the Canadian spring wheat flour export business by Canadian mills would mean that they would be able to develop their export markets on a proper basis.
> 3. The increased milling in Canada would mean reduced overhead to the direct benefit of the consumer of both flour and millfeeds, and also relieve the unemployment situation.

Building Owners Wish Prior Lien Law Repealed

The prior lien law which was passed at the last session of the Ontario Legislature, has been severely criticized by the Building Owners' and Managers' Association. It is urged that the amendment makes property owners collectors for the public utilities in that if the tenant should fail or refuse to pay his Hydro bill, the unpaid amount became a lien against his property just the same as taxes. Sales of such properties might be retarded or prevented.

A hypothetical case was cited by J. W. Bicknell at the annual meeting of the above organization, in which a factory owner leased his property to a tenant who contracted for a large amount of current and became bankrupt. The owner of the building is then liable not only for the actual current supplied, but for the balance of the current contracted for.

It was urged that action be taken for the repeal of the amendment.

Forke Says Free Trade Not Practicable Here

"I have no fault to find with moderate protection for Canadian manufactures, but I would like to see the government announce a definite policy regarding protection and stand by it, rather than have the tariff subject to constant alterations," stated Robert Forke, M.P., leader of the Progressive Party in the Dominion Parliament, in presenting the Western viewpoint on the tariff before the Young Men's Club of the Toronto Board of Trade. He would believe in a free trade policy if such were practicable, but after 40 years of protection, the introduction of such a policy would be disastrous in Canada.

More Newsprint Figures

By ROYAL S. KELLOGG,
Secretary, Newsprint Service Bureau.

The United States is the greatest paper-consuming country in the world. In 1920 her per capita consumption of paper was 148 pounds, as against 76 pounds in Great Britain, 45 pounds in Germany, 33 in Scandinavia, 12 in Japan, and 6 in Russia, and it is still growing.

About a third of this consumption in the United States is the result of newspaper-reading habit of the American people. There are now in North America over 22,000 newspapers. More than 2,000 of them are English language dailies in the United States, which have a 22,000,000 Sunday circulation and a 33,000,000 daily circulation. In other words, a daily paper is published for every 3.5 persons in the United States.

The size of newspapers has increased from year to year, until in 1924 those having circulations in excess of 100,000 copies averaged 28 pages for the daily editions and 103 pages for the Sunday editions. The per capita consumption of newsprint in the United States jumped from 4 pounds in 1860 to 50 pounds in 1924.

Naturally the production of newsprint has kept close pace with the consumption. Last year North America produced 2,900,000 tons of newsprint paper. In 1810 the total production of newsprint in the United States was 500 tons. On one Sunday in October, 1923, the New York Times used 877 tons of paper. In 1848 a new machine at Hamilton, Ohio, made 1 ton of newsprint daily. To-day a single machine makes over 100 tons in 24 hours. The Chinese craftsmen might make 1,200 sheets daily. Now the labor of one man with modern machinery can turn out the equivalent of 700,000 sheets.

The newsprint paper used in the United States in 1924 would blanket 12,000,000 acres, or nearly the combined areas of New Jersey, Massachusetts and Connecticut. It would belt the earth three-quarters of a mile wide at the Equator, or make a standard roll 72 inches wide that would unwind 16,500,000 miles, or reach to the sun in 5 years and 8 months.

FOURTEENTH ANNUAL REPORT

OF THE DIRECTORS OF

The Canada National Fire Insurance Company

To the Shareholders:

Your Directors beg to submit for your consideration their Fourteenth Annual Report, accompanied by the Statement of Assets and Liabilities and Revenue and Expenditure Accounts for the year ending December 31st, 1924, duly certified by the Auditors of the Company.

At the beginning of the year 1924, there was generally quite an optimistic feeling that business and financial conditions would show a certain amount of improvement during the course of the year, and while in some respects these hopes were realized, the year as a whole, so far as general business was concerned, was probably the most critical and trying year which this country has experienced during the past twenty or twenty-five years.

Old-established mercantile firms and financial institutions felt the stress of the times, and this was especially true with respect to more recently organized firms and corporations. While the older portions of the Dominion were more or less affected, due to adverse conditions, Western Canada, which had been passing through a succession of trying and strenuous years, was even more seriously affected, with the result that many business and financial houses which had safely and successfully weathered the storm in former years, experienced greater difficulty than usual in keeping their business in a sound financial position and in making even a fair amount of progress.

From the reports of fire insurance companies available at this date, for the year 1924, the direct effect of these unfavourable conditions is reflected in the large amount of fire losses, high loss-ratios, and a decreased volume of insurance written, with a resultant falling-off in Premium Income.

With these facts before them, fire insurance authorities are generally agreed that there was but very little underwriting profit last year, on the business written in Canada.

Notwithstanding the abnormal conditions which prevailed, your Directors are pleased to report that the Company enjoyed a reasonably satisfactory year, as is shown by the following facts and figures:

The gross amount of new business written in Canada by the Company in 1924 totalled $17,152,099.00, and the gross premium income in all fields of operation amounted to $981,948.82. Re-insurance premiums were $88,628.38. Gross insurance in force in Canada at the close of 1924 totalled $36,395,570.00, while the premiums on this business amounted to $477,306.80. Re-insurance in force at the end of the year was $9,826,633.00, and the premiums thereon amounted to $127,107.54. Net insurance on Canadian business in force at the close of the year totalled $26,568,937.00.

In a time of business depression, the work of the fire underwriter is rendered much more difficult than in normal times, and extra precaution and good judgment must be exercised in the selection and approval of risks. This condition of affairs has existed now for several years, and despite the fact that strenuous measures have been adopted and much good work carried on to check the fire waste, the loss-ratio in Canada and the United States has continued unusually high.

The average fire loss-ratio on Canadian business for all companies operating in the Dominien was 69.12% in 1922, 68.10% in 1923, and 68% estimated for 1924. This Company has been very fortunate, considering the times, in the matter of loss-ratio, having the low percentage of 45.47 in 1923, and in the exceptionally hazardous year of 1924, 58.82%. While this rate was in excess of former years, it compares very favourably with the experience of other companies operating in the Dominion.

Reference was made in the last two reports to the Old Country business, and in this connection it might be well to point out that this business has rapidly developed, and should substantially increase from year to year and prove a valuable acquisition to the Company.

It will be observed from the Financial Statement that one of the leading items under the heading of Assets is that of Mortgage Loans, amounting to $1,579,455.72. These loans have been carefully selected and are upon the security of improved real estate properties, comprised of choice city properties and improved farm lands. It may be of interest to note that the payments of interest and principal compare very favourably with the returns in previous years.

The item Stocks and Bonds stood at $289,630.76, and Head Office property at $329,518.97. Real Estate, other than Head Office property, showed only a slight increase over the previous year and amounted to $521,875.92. Balances in Agents' hands, showed a small decrease of $702.14, amounting in all to $36,348.74. Balances retained by Foreign Treaty Companies totalled $255,305.12, while the total assets of the Company stood at $3.068,846.43.

Paid-up Capital amounted to $1,894,008.78. Government Reserve for Unearned Premiums in all fields of operation amounted to $433,629.79; while Re-insurance Premiums (held as Reserve on Deposit with the Company's Foreign Treaty Companies) were $42,254.16.

Profits from Mortgages, Stocks and other sources totalled $115,260.31, an increase of $13,644.95 over the previous year. Total Net Fire Premiums for the year, after deducting cancellations, rebates and re-insurance, amounted to $893,320.44, and the total Net Revenue from all sources reached the large sum of $1,008,580.75.

To the Contingent Fund was added the sum of $100,000, bringing that fund up to $200,000. In transferring an additional $100,000 to the Contingent Fund, the Directors followed a policy which has been adopted by many other leading financial institutions during the last few years in building up a substantial Contingent Fund to provide for any possible contingencies which might arise in connection with the Company's business.

The Net Surplus to Shareholders stood at $342,523.44, and the combined Net Surplus to Shareholders and Contingent Fund reached the large total of $542,523.44, which is 28.64 per cent. of the paid-up Capital of the Company. The Net Surplus to Policyholders amounted to $2,236,532.22. It will, therefore, be seen at a glance that the Company enjoys a very strong financial position, both from the standpoint of the Shareholder and the Policyholder.

As a result of adverse business conditions, financial institutions, in general, in the Dominion of Canada were not able to report the same degree of progress in 1924 as in former years, but in a general review of the business and financial situation, it is a matter of congratulation that this Company was able to show the progress made which is reflected in the present Financial Statement of the Company. It is the general consensus of opinion, and this has been expressed by eminent authorities both in business and finance, that the present year will witness a considerable revival in trade and commerce, and that the Dominion of Canada, in particular, will experience more prosperous times than it has enjoyed for several years. The brighter business outlook is, no doubt, due largely to a material improvement in the general European situation and Sterling exchange—the pound having reached approximately par—and also to the great increase in the price of Agricultural products. The agricultural situation in Western Canada, which has been in a more or less precarious condition during recent years, has very materially improved during the past year, and this fact in itself will be of immense benefit to Western Canada, as it will help to advertise the Western Provinces as a safe and profitable field in which to invest money; and it will also greatly stimulate agricultural production in all lines, attracting settlers in larger numbers than we have received during the last five or ten years. With the anticipated development which it is hoped will take place in the West from now on, much new capital will be required for development purposes, and the very fact that Sterling exchange has reached approximately par, will prove a great incentive to the Old Country investor to bring money out to this country, where it should yield handsome returns, and at the same time, prove of great advantage to the West in building up its prairie provinces.

Altogether the outlook is much brighter than it has been for, it might safely be said, the past ten years. If these expectations for a revival in business are even in a measure realized, all lines of business should take on new life, and our financial institutions should enjoy a larger measure of prosperity than they have experienced during recent years.

Your Directors would respectfully draw your attention to the splendid work done by the Agents of the Company in all fields of operation during the past year. It is worthy of note that the Shareholders have continued to extend to the Company their liberal patronage and support. Each Shareholder by so doing, contributes to the material welfare and progress of the Company.

Your Directors again desire to express their hearty appreciation of the splendid efforts of the general staff, agents and inspectors of the Company during the past year.

In conclusion, your Directors wish to assure the Shareholders that they have every confidence in the future of the Company, and have reason to believe that with the return to more normal and prosperous times, this Company will forge ahead and make more substantial progress than it has enjoyed in the past.

F. H. ALEXANDER,
Vice-President.

W. J. BOYD,
Vice-President.

Winnipeg, February 11th, 1925.

THE CANADA NATIONAL FIRE INSURANCE COMPANY

Financial Statement, 31st December, 1924

ASSETS

Mortgage Loans on Real Estate and Accrued Interest		$1,579,455.72
Stocks and Bonds (at cost) and Accrued Interest		138,151.84
Canadian War Bonds and British National War Bonds with Accrued Interest		151,478.92
Real Estate—Head Office Building	$329,518.97	
" " Other than Head Office property	521,875.92	
		851,394.89
Office Furniture and Fixtures, Maps and Plans, less depreciation		11,512.99
Accounts Receivable		16,837.65
Balances retained by Foreign Companies		255,305.12
Agents' Balances		36,348.74
Cash on Hand and on Deposit		28,360.56
		$3,068,846.43

LIABILITIES

Government Reserve for Unearned Premiums		$ 433,629.79
Losses Unpaid (in course of Adjustment)		23,342.95
Accounts Payable		66,219.83
Balance due on Mortgage Loans		66,867.48
Reinsurance Premiums (held as Reserve on Deposit)		42,254.16
Contingent Reserve Fund		200,000.00
Capital Stock—Subscribed ...$2,050,400.00		
" " Paid Up	$1,894,008.78	
" " Net Surplus	342,523.44	
		2,236,532.22
		$3,068,846.43

REVENUE

Balance brought forward from 1923		$1,070,618.58
Profits from Mortgages, Stocks and other sources		115,260.31
Fire Insurance Premiums for 1924	$981,948.82	
Less Reinsurance thereon	88,628.38	
		893,320.44
		$2,079,199.33

EXPENDITURE

General Expenses, Salaries, Commissions, etc.—		
Loan and Investment Department	$ 31,802.77	
Fire Department	374,417.81	
		$ 406,220.58
Losses and Loss Adjustment Expenses	848,101.52	
Less Reinsurance Recoveries	57,564.59	
		790,536.93
Depreciation written off Furniture, Fixtures, Maps, etc.		3,128.65
Bad Debts written off		121.82
Maintenance of Real Estate		2,525.42
" " Head Office Building		512.70
Contingent Reserve Fund		100,000.00
Reserve for Unearned Premiums	$433,629.79	
Net Surplus	342,523.44	
		776,153.23
		$2,079,199.33

AUDITORS' CERTIFICATE

TO THE SHAREHOLDERS:—

We beg to report that we have audited the Books and Accounts of the Canada National Fire Insurance Company for the year ending 31st December, 1924, and have found them properly stated and sufficiently vouched. We have verified the Cash on Hand and on Deposit and the Mortgages and other Securities. In our opinion the Balance Sheet presents a correct view of the state of the Company's affairs as at 31st December, 1924, according to the best of our information and the explanations given us, and as shown by the Books of the Company.

(Sgd.) D. A. PENDER, SLASOR & CO.,
Chartered Accountants.

Winnipeg, 7th February, 1925.

Eighth Annual Report

BROMPTON PULP AND PAPER COMPANY LIMITED

For the year ending December, 1924

CONSOLIDATED PROFIT AND LOSS ACCOUNT

As at 31st December, 1924

EARNINGS		
After deducting Administrative Expense, Selling Expense and Income Tax		$1,128,581.70
Deduct:—		
Depreciation	$255,000.00	
Bond Interest	288,572.00	
		543,572.00
		$585,009.70
Deduct:—		
Brompton Preferred Stock Dividends	$160,000.00	
Claremont Preferred Stock Dividends	17,500.00	
		177,500.00
Net Amount added to Surplus		$407,509.70

CONSOLIDATED BALANCE SHEET

As at 31st December, 1924

ASSETS

CURRENT ASSETS	
Cash	$ 182,894.37
Accounts Receivable	1,126,682.91
Bills Receivable, Trade	23,971.84
Investments	187,836.18
Inventory of Logs, Pulpwood, Paper, Mill Supplies, and advances on Wood Operations	4,179,849.45
DEFERRED CHARGES	
Prepaid Insurance and Taxes	50,376.89
Total Current Assets	$5,751,611.64
FIXED ASSETS	
Freehold and Leasehold Timber Lands	6,008,843.74
Real Estate, Buildings, Water Powers, Mills, Warehouses, Craft, etc.	12,213,865.38
	$23,974,320.76

LIABILITIES

CURRENT LIABILITIES				
Bank Loans			$1,326,000.00	
Bills Payable, Trade			490,615.69	
Accounts Payable, Trade			453,954.12	
Accrued Charges, including Bond Interest, Pay Rolls and Income Tax			304,943.59	
Total Current Liabilities				$2,575,513.40
CAPITAL LIABILITIES				
Bonds and Serial Notes:—				
Brompton Pulp and Paper Co., Limited				
Six Per Cent. First Mortgage Sinking Fund Bonds, Due 1927:—				
Authorized		$1,000,000.00		
Redeemed		996,000.00		
			$ 4,000.00	
Six Per Cent. First Consolidated Mortgage Sinking Fund Bonds, Due 1935		$2,000,000.00		
Unissued	293,000.00			
Redeemed	810,000.00			
In escrow	4,000.00			
Held by Groveton Paper Company (Subsidiary)	61,000.00			
		1,168,000.00		
			832,000.00	
Six Per Cent. General Mortgage Sinking Fund Bonds, Due 1939:—				
Authorized		$1,000 000.00		
Redeemed		170,800.00		
			829,200.00	
Convertible Eight Per Cent. Mortgage Sinking Fund Bonds, Due 1941:—				
Authorized		$3,000,000.00		
Unissued	$1,231,300.00			
Redeemed	161,000.00			
		1,392,300.00		
			1,607,700.00	
				3,272,900.00
Groveton Paper Company Inc.:—				
Six Per Cent. First Mortgage Gold Bonds, Due 1935		$1,250,000.00		
Redeemed		75,000.00		
			1,175,000.00	
Serial Land Purchase Notes			400,000.00	
				1,575,000.00
RESERVES				
Depreciation and Obsolescence			$2,634,576.78	
Bad Debts			41,678.90	
				2,676,255.68
CAPITAL STOCK				
Brompton Pulp and Paper Company, Limited:—				
Preferred:—Authorized and Issued 20,000 Eight Per Cent. Cumulative Preferred Shares of $100 each, fully paid			$2,000,000.00	
Common:—Authorized 210,000 shares, no par value, issued and fully paid, 140,000 shares, no par value			7,000,000.00	
Claremont Paper Company, Inc.:—				
Preferred:—Authorized and Issued, 2,500 shares of $100.00 each			250,000.00	
				9,250,000.00
SURPLUS				
As on December 31st, 1923			$4,217,141.98	
Add:—				
Earnings for Year		$1,128,581.70		
Less:—				
Depreciation	$255,000.00			
Bond Interest	288,572.00			
Brompton Preferred Dividends	160,000.00			
Claremont Preferred Dividends	17,500.00			
		721,072.00		
			407,509.70	
				4,624,651.68
				$23,974,320.76

Contingent Liability in respect of Principal and Interest of the Bonds of McCrea-Wilson Lumber Company Limited - $850,000.00

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

Montreal, March 6th, 1925.

Your Directors submit herewith, the Consolidated Balance Sheet and Profit and Loss Account of the Company as at the 31st day of December, 1924.

After full allowance for interest, taxes, depreciation and preferred dividends, aggregating $691,072.00, the sum of $407,509.70 is added to the credit of Profit and Loss Account.

A further addition to the working capital position of the Company has been made of $334,902.00 bringing the net working capital up to the satisfactory amount of $3,176,098.00.

During the year a good demand was in evidence for newsprint and other paper products manufactured at East Angus. In the United States business experienced a hesitancy which is apt to characterize a Presidential election year. Although shipments from your American plants compared favorably with previous years, the irregularity with which orders were received interfered materially with the profitable operation of the mills. This condition was largely responsible for the year's decrease in earnings. Business is now working to a more normal basis in the United States and better results are reasonably to be expected for this year.

Your Directors, after careful consideration, have decided that it is in the best interest of the Company to arrange for the retirement of the 8 per cent. convertible mortgage bonds now outstanding to be replaced with bonds of a lower coupon rate, thus affecting a considerable saving in interest.

Your Directors have also decided that it will be in the best interest of the Company to erect at Bromptonville, where the Company now has a production of 100 tons of groundwood pulp, a 100-ton newsprint mill. This will enable the Company to take advantage of the more stable market afforded by newsprint, and also to get the full profits from the conversion of this surplus groundwood into paper. This addition to the finished production of the Company will, undoubtedly, result in materially increased earnings.

To provide, at once for the retirement of the 8 per cent. bonds and also for the full cost of the new paper mill, which will be about $1,000,000.00, your Directors have made arrangements, subject to your approval, to dispose of $3,000,000.00 of new 6 per cent. 20-year bonds.

Your Board of Directors wish to express their sincere appreciation of the manner in which the staff of the entire organization have performed their duties.

Submitted on behalf of the Directors.

F. N. McCREA,
President.

ROBB FAVORABLE TO RETALIATORY TARIFF POLICY

Minister Makes Blunt Reply to Reciprocity Proposal

From Our Own Correspondent

OTTAWA.—Hon. J. A. Robb is what is known as an "easy boss," being kindly disposed towards his fellow men, but there are signs that he is getting just about to the end of his patience as respects the attitude of the United States in fixing duties on Canadian products.

The other day a deputation from the Canadian Council of Agriculture waited upon the government, and among other things asked for a renewal of the reciprocity negotiations, and, incidentally, for further reductions in the tariff. The acting minister of finance listened to what the members of the deputation had to say and then delivered himself thus:

"If the Americans put up a prohibitive tariff against our agricultural products, why shouldn't we put up a tariff against some of their products? The government needs to have some club to handle these fellows."

Having been a very successful minister of trade and commerce with considerable experience in the negotiating of trade treaties, Mr. Robb knows a little of how to go about such matters. He knows among other things, that when you go to bargain with a country for trade concessions, it is a good thing to be in a position to say to the other fellow: "We will lower the duties on certain of your products, if you will do the same on certain of ours." He also knows that if you have nothing to offer, the other fellow is unlikely to be impressed with the prospect of doing business.

Mr. Robb's remarks pretty well indicate the general tenor of the coming budget. There will not be any more tariff reductions of account, though there may be certain adjustments. The government is coming to the conclusion on tariff matters that you can't give away your market and have it too.

One of the stumbling blocks in the way of the Progressives securing more tariff reductions of account just now is their failure to suggest alternative sources of revenue that would make up the deficiency occasioned through the loss of revenue this year. Their supporters in the country may continue to demand tariff reductions, but the Progressives in the House know that money must be had to run the country, and it can't be obtained from other than present sources.

The realization of this fact inclines the great majority of the Progressives to support the government on its fiscal policy, as long as there is even a gesture their way. They know that they would have great difficulty in getting the required revenue entirely from direct sources.

ROBB SAYS POST WARRANTED IN ITS GONTHIER REPORT

(Continued from page 1)

was not taken by the department of finance. My statement had only in view to make clear that I had found that the audit office had not fulfilled certain duties which, in accordance with the law, it was called upon to perform during the fiscal year 1923-24, and I considered it an obligation on my part to so report.

Third: "No standard system of accounting in government offices."

I am fully aware of my duties as chairman of the board of audit and of the duties the board is called upon to perform in accordance with the act constituting it, and I have no doubt that the board will properly report on its activities at an early date. But as auditor-general I have distinct duties to perform, and my remarks were made only for the purpose of calling the attention of the House of Commons, as I did in the last paragraph of page 21 of introductory remarks of my last report to the fact that, although section 31 of the audit act empowered the auditor-general, subject to the approval of the treasury board, to prescribe regulations and forms for the guidance of principal accountants and sub-accountants in making up and rendering their periodical accounts for examination, very little was done in recent years by the audit office, regarding the framing of these regulations and forms, the uniformity of which as applied to the various services, is, in my opinion, most desirable.

Robb to Gonthier

Hon. J. A. Robb's reply to Mr. Gonthier is as follows:

Dear Mr. Gonthier:

I am in receipt of your letter of the 3rd March in reply to my letter to you of the 28th February, calling your attention to an article on the front page of THE FINANCIAL POST, Toronto, of the 27th February last, dealing with a reference in your report to parliament for 1924 to the usual statement of arrears tabulated yearly in the auditor-general's reports.

Your reply that a similar statement has been published in the auditor-general's report every year for some time does not quite meet the present situation, because previous auditor-generals, knowing the proper value of these statements, avoided making reference thereto in such a manner as to mislead parliament and the public.

I certainly agree with you in your statement that you have distinct duties to perform in reporting to parliament, but I would say in this respect that in the performance of such duties you should exercise more care by refraining from presenting a report which would be misleading to parliament and to the country.

I am glad to have your assurance that there was no intention on your part of intimating that there was any neglience on the part of the finance department or of any other department in regard to these arrears; but the fact remains that THE FINANCIAL POST had the material from your report to warrant them in being disturbed as to the efficiency of the department of finance.

Special Vessels Ordered to Carry Newsprint

From Our Own Correspondent.

SYDNEY.—Two vessels designed especially for the paper carrying trade, will soon be ready for the Newfoundland Export and Shipping Co. They are named the "Humber Arm" (already launched) and the "Corner Brook" and their mission will be to carry Humbermouth newsprint to all quarters of the globe. Each is 439 feet long and together they will handle the output of the new pulp and paper development at Corner Brook.

Employees Bear the Brunt of the Federal Income Taxation

Agriculture is Canada's greatest industry, but of those listed as agrarians only 4,663 paid the income tax last year, the amount they paid being only $275,626. Of this number 1,953 were in Saskatchewan, or about 40 per cent. and they paid $127,542, No doubt this was due to the bumper crop of 1923, when Saskatchewan raised about 250,000,000 bushels of wheat. Ontario seems to be the next best off province in an agricultural sense, 1,028 farmers having paid the income tax amounting to $35,157. Alberta came next with 987 farmers paying $71,667, with Manitoba third with 431 paying $15,485. In the whole of the country east of the Ottawa river only 193 farmers paid the income tax, their contribution being only $20,362. In British Columbia only 71 farmers paid the tax, their payment being $5,409. In Prince Edward Island, 19 farmers paid $1,510.

Employees Are Hit

The figures show that about 63 per cent. of the income tax paid by individuals came from the class known as "employees," who number 176,089 and paid last year $13,726,066 out of a total gross payment of $26,367,813. Of these 77,398 were in Ontario and they came through with $6,054,365. Quebec had 33,913 in this class and they paid in $4,429,603. Manitoba had 19,114, whose payment was $1,214,588; British Columbia 15,556 paying $892,637; Alberta 10,977 paying $417,943; Saskatchewan 8,948 paying $263,618; Nova Scotia 5,130 employees paying $244,496, New Brunswick 4,136 paying $170,311. Yukon 592 paying $25,363 and P. E. I. 323 paying $13,139.

The Professional Class

The "professional" class comes next with the largest number of contributors, or 20,550 with a total payment of $2,327,554. Forty per cent. of those in professions paying the income tax belong to Ontario, which reports 8,096 contributing $997,005. Then there is a big drop down to Quebec with 2,818 paying $636,154. British Columbia has only about one-fourth the population Quebec has, and yet the number of persons in professions paying income tax in that province is 2,724 or only 76 less than in Quebec. The Maritime Provinces seem to be poor for professional men only 1,261 of them having paid the income tax. Strange to say New Brunswick, which has fewer people than Nova Scotia reported 749 professionals paying as compared with only 461 in the latter province. At the same time the Nova Scotians paid $6,000 more. Saskatchewan and Alberta seem to be good provinces for the professions, the former having 2,524 and the latter 2,269 paying the tax.

Merchants and Manufacturers

There were 17,031 merchants who paid the income tax last year, and they handed over $2,816,351. For this class, business does not seem to have been as good in Ontario as in Quebec, for while Ontario had 7,158 paying $1,099,464, Quebec which reported only 3,382, collected $924,579 from them. The merchants west of the Great Lakes do not appear to have made much money either, for they paid only a litle over $500,000. Nova Scotia's 834 merchants paid within $6,000 of as much as the 1,518 in Saskatchewan paid.

In the manufacturers class "individuals" there are 1,293 who paid $742,943, which would also seem to indicate that with them business has not been very profitable. It is interesting to note that while Quebec reported only 363 as paying they contributed $303,436, or over $18,000 more than the 769 in Ontario.

The "all others" class among the "individuals" paying, is an important one, for it includes 19,410 who paid $5,945,472. Of these 8,941 were from Ontario contributing $2,694,418, while 4,032 were from Quebec contributing $2,063,905.

By Corporations

Coming to payments made by "corporations" the returns are as follows: Ontario $13,242,089; Quebec $11,056,654; British Columbia $2,030,036; Manitoba, $1,790,430; Nova Scotia $563,077; Alberta $531,707; Saskatchewan $296,707; New Brunswick $229,690; Prince Edward Island $20,387 and the Yukon $10,599.

The number of corporations that paid was 5,569, and of these 2,356 belonged to Ontario and 1,319 to Quebec. British Columbia with 480 had the next largest number of corporations reporting, followed by Manitoba with 464. The whole of the Maritime Provinces reported only 412 corporations paying.

Among the "corporations," the mercantile ones numbering 1,680 paid $4,031,166, of which $1,791,278 was from Ontario and $913,879 from Quebec. The manufacturing corporations paying totalled 1,535 and their payments were $12,332,859. Here again Ontario led with 864 firms paying $7,213,281 and Quebec following with 424 firms paying $3,842,344.

Slump Continues in Customs and Excise

From Our Own Correspondent.

OTTAWA.—The slump in customs and excise revenue continued during February, as compared with that for the corresponding month last year, these collections being $3,197,442 lower. For the 11 months ending February they were $51,393,215 below those for the corresponding period during the last fiscal year. Customs collections were down to the extent of $14,221,453, while excise collections were down $37,571,401.

It is quite probable that the total decrease in the foregoing collections over the whole of the fiscal year will be $55,000,000. With an increase of only about $3,500,000 in income tax collections and no increases in other departments to offset the marked falling off in customs and excise, it is quite evident that there must be a deficit on the current fiscal year.

Last year the total revenue from all sources was $396,837,000, but from indications just now the Treasury will be fortunate if it takes in much more than $350,000,000. It is possible that March may show an improvement, but it is unlikely to be very much higher, for while high grain prices are keeping up the export figures, the volume of internal trade does not show an increase, the best way earnings.

Sydney Shortages Are Estimated at $216,000

SYDNEY.—Actual cash shortages of $42,000, with the certainty that much greater sums have been lost beyond all possibility of tracing, are reported by Price-Waterhouse experts who have just completed an examination of the city books from 1916 to 1923 inclusive. Mayor McConnell, who is seking re-election on his cleanup record since last March, estimates the total losses to the city through these laxities at $216,000.

One phase of the report shows that in several years, on the joint expenditure account, the amount paid by the city to the county of Cape Breton was over $30,000 more than it should have been. This will be recovered. Other losses were caused by failure to deposit all revenues received, by issue of chques for 'labor' which was never performed, by failure to turn in school fees collected, etc. and by covering up these irregularities by annual juggling of blue book figures. The report shows that some departments of civic government kept no books at all, prior to 1924. A further report for 1924 to the cost of caring for indigent persons who are not taxpayers in any municipal district which votes itself into the medical relief district and in improvement districts.

There is much underlying this proposed measure which was outlined by Mr. Hoadley at the time of the recent municipalities convention in Calgary. Its chief object is to find some means of meeting the hospital expenses of such men as harvesters and others who by no means are permanently resident in the province.

Recognition of Soviet Has Not Helped Trade

LONDON.—Britain's experience since she recognized the Soviets about a year ago will not give much encouragement to any other nation considering the taking of a similar step. MacDonald's recognition of the Bolsheviki has brought none of the things expected. There has been no widespread restoration of trade between Britain and Russia, and there has been no cessation of Red propaganda from Moscow. In fact, so far as Great Britain is concerned, it is difficult to see that recognition has made much difference.

American Sales Book Company, Limited

Annual Report, Year Ending December 31st, 1924

PROFIT AND LOSS ACCOUNT

Balance forward from 1923	$152,927.52	
Less Federal Taxes on 1923 Earnings, paid in 1924	36,295.61	
	$116,631.91	
Profits for the year	463,059.72	
		$579,691.63
Deduct		
Premiums on Bonds redeemed	$ 16,200.00	
Interest on Bonds	25,897.01	
Transferred to Reserve for Depreciation	100,778.95	
In reduction of Patents Account	50,000.00	
Four Quarterly Dividends on Preference Stock at rate of 7% per annum	215,131.00	
Four Dividends on Common Stock of $1.00 per Share each	122,932.00	
		530,938.96
Balance carried forward		$ 48,752.67

Balance Sheet, December 31st, 1924

ASSETS

Real Estate and Buildings		$ 438,337.54	
Plant, Machinery and Equipment		1,362,077.64	
Investments in Allied Companies		477,668.90	
Patents and Goodwill		2,351,143.63	
			$4,629,227.71
Prepaid Expense		$ 106,973.30	
Bond Discount and Expense		75,915.33	
			182,888.63
Inventories		415,790.74	
Accounts and Bills Receivable		505,986.02	
Marketable Securities	$ 91,616.30		
Cash in Banks and on Hand	129,063.99		
		220,680.29	
			1,142,457.05
			$5,954,573.39

LIABILITIES

Capital Stock Issued:			
7% Cumulative Preference Stock	$3,073,300.00		
Common Stock	614,660.00		
		$3,687,960.00	
First Mortgage 6% Sinking Fund Bonds, due 1939, Authorized and Issued		1,000,000.00	
			$4,687,960.00
Accounts Payable		$ 116,824.09	
Accrued Interest on Bonds		15,000.00	
Dividend on Common Stock payable January 2, 1925		30,733.00	
			162,557.09
Reserve for Depreciation		$1,042,211.74	
Other Reserves		13,091.89	
Profit and Loss Account (subject to U.S. Federal Taxes)		48,752.67	
			1,104,056.30
			$5,954,573.39

Contingent liability in respect of dividends on $200,000 of 7% Preference Shares in a subsidiary company, these shares to be acquired at the rate of $20,000 per annum.

AUDITORS' CERTIFICATE

We have audited the accounts of American Sales Book Company, Limited, for the year ending 31st December, 1924, and we certify that the above Balance Sheet is in accordance with the books, and, in our opinion, correctly states the position of the Company.

We have received all the information and the explanations we have required.

CLARKSON, GORDON & DILWORTH, Chartered Accountants.

BOARD OF DIRECTORS

S. J. Moore, President, W. D. Van Horn, Vice-President, A. M. Bovier, Treasurer and General Manager, A. E. Ames, H. S. Duell, Charles G. Brand, Edwin G. Baker, Wm. O'Connor, Chas. W. Colby, Frank A. Deans, Thos. Bradshaw.